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NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

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

Roll 62

1930-39

793.94/15161-15350
June-Sept. 1939



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

WASHINGTON: 1975

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

INTRODUCTION

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

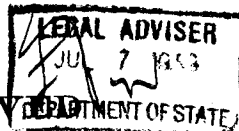
In Records of International Conferences, Commissions, and Expositions, Record Group 43, are records of several conferences in which the United States and Japan participated. There are records of the Washington Conference on Limitation of Armament, 1921-22, which met to consider the limitation of armaments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

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

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

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

TELEGRAM RECEIVED DEPARTMENT OF STATE



12
45

15644

EG

1-1326

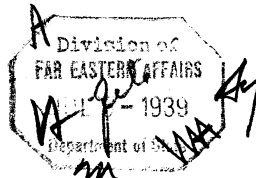
FROM

PLAIN AND GRAY

Shanghai via N. R.

Dated July 4, 1939

Rec'd 4 a.m.



Secretary of State,

Washington.

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

EX

560, July 4, 1 p.m.
793.94/15108
My 519, June 21, 4 p.m.

The Japanese Consul General has communicated to the senior consul for information of consular representatives and additional notification dated July first from the Japanese naval authorities outlining the procedure governing the entry of third power vessels into Swatow.

(are?)

One. "The third power vessels is admitted to the harbor of Swatow, so far as circumstances of military operations permit, at the rate of approximately once in a week. Third powers, whose residents in Swatow are small in number, are requested to take advantage of the vessels above referred to, refraining from despatching their respective vessels."

Two. "Only mails and provisions are allowed to be disembarked at Swatow."

Three.

793.94/15161

F/FG

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

5645

-2- #560, July 4, 1 p.m. from Shanghai via N. R.

Three. "Vessels thus calling should apply at least twenty four hours in advance for the consent of the senior staff officer of the local fleet."

Four. "Hours of stay in the harbor should be minimum required and their movements in the harbor should be strictly in compliance with the indications given by the naval authorities on the spot."

I understand there are no American merchant vessels accustomed to call at Swatow and accordingly am taking no action here.

United States naval authorities here being informed.

Repeated to Peiping, Chungking, Hong Kong and Swatow, Airmail to Tokyo.

GAUSS

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

AC

PLAIN

1-1326

FROM

Peiping via N.R.

Dated July 1, 1939

Rec'd 8:40 a.m., 2nd

Secretary of State
Washington

Division of
FAR EASTERN AFFAIRS

JUL 1 1939

Department of State

July one.

Your undated telegram to Peiping received June

30 regarding the repeating to Tokyo of Foochow's
17 June 29, 3 p.m. to Department and your June 30, 10
a.m. to Foochow regarding protection of Americans in
Foochow consular district.

793.1164 Union High School
Foochow's 17 June 29, 3 p.m. was repeated by

Peiping to Tokyo under date June 30 noon and true
reading of Foochow's June 28, 3 p.m. to Peiping was
sent by Peiping by air mail to Tokyo on June 29.

For the Ambassador

SMYTHE

RR

793.94/15162

F/FG

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

CROSS-REFERENCE FILE

NOTE

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

For the original paper from which reference is taken

See Memorandum
(Despatch, telegram, instruction, letter, etc.)
Dated June 22, 1939 From State Department
To Far Eastern Division
(Salisbury)

File No. 890.00/149

793.94 / 15163

15163

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

TELEGRAM RECEIVED

1-1836

CORRECTED COPY
FROM

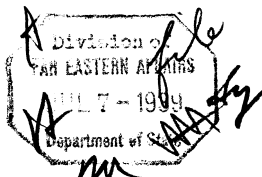
CJ

GRAY

FOOCHOW VIA NR

Dated July 5, 1939

Rec'd 8:30 a.m., 6th



Secretary of State,
Washington.

COPIES SENT TO
ONE AND M.L.D.

July 5, 11 p.m.

June summary.

On June 27th the Japanese naval authorities formally notified their intention to begin hostilities against Foochow on that day, and requested that the port be cleared of foreign shipping and third power naval craft by noon on the 29th and that third power nationals evacuate the area before that time. Sharp Peak, the island commanding the mouth of the Min River, was occupied by a small force of Japanese marines on the morning of the 27th. The following day the Chinese declared the port closed and interchanged all traffic across the barrier at the mouth of the river.

These and other sharp developments in the closing days of June climaxed a month during which the port had been practically closed to foreign shipping by the Japanese abrogation of the provisional agreement governing the movement

793.94/15164

7001
DECLASSIFIED: E.O. 11652, 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- July 5, 11 p.m., from Foochow via NR

movement of foreign lighters at Sharp Peak and the Chinese refusal to grant such lighters permits to pass the barrier.

A series of Japanese air raids on Foochow and other points in the consular district during the latter part of the month appeared relatively ineffective, although during one of them the American owned Union High School at Foochow was demolished, and another American mission property at Kishnow was damaged.

Sent to Peiping, Chungking and Shanghai.

WARD

RR: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

*See corrected copy
8/2*

TELEGRAM RECEIVED

1-1226

FROM

GRAY

Foochow via N. R.

Dated July 5, 1939

Rec'd 8:30 a.m., 6th.

Division of
FAR EASTERN AFFAIRS

JUL 6 - 1939

Department of State

Secretary of State,
Washington.

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

July 5, 11 p.m.

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793.94/15164

F/FG

793.94

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

-2- July 5, 11 p.m., from Foochow.

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Sent to Peiping, Chungking and Shanghai.

WARD

RR:CSB

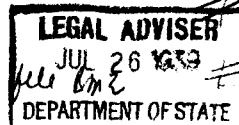
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

15545

TELEGRAM RECEIVED

EG

PLAIN



1-1326

FROM

Chungking via N. R.

Dated July 6, 1939

Rec'd 1:40 p.m.

Secretary of State

Washington.



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

425, July 6, 10 a.m.

Tell Tokyo or Shanghai

Two squadrons of Japanese planes raided Chungking on two occasions between midnight and 2 o'clock this morning, bombs falling at random on both banks of the Yangtze River and in the city. One bomb fell within four hundred feet of the residence of Counselor Peck and about one hundred and fifty feet from the British gunboat killing and wounding several Chinese. Other bombs fell in the river in the same locality, one of which landed about three hundred yards from my quarters.

Casualties and property damage appear to have been light. All Americans are believed to be safe. Reverend W. A. McCurdy has informed the Embassy that the Lewis Memorial Institutional Church of the Methodist Episcopal Church (located in the city) an American organization was badly damaged in this raid and that other smaller buildings of the same mission were damaged by concussion.

Repeated to Peiping, Hankow, Shanghai. Latter airmail to Tokyo.

RR

JOHNSON

793.94/15165

F/FG

FILED
JUL 27 1939

393.1163 1156

793.94

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

79394:
CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict: military situation; restrictions on
foreigners, during month of April, 1939.

793.94/15166

For the original paper from which reference is taken

See #53 to Embassy, Peiping.
(Despatch, telegram, instruction, letter, etc.)

Dated May 9, 1939 From Chefoo (Roberts)
To

File No. 893.00 P.R. Chefoo/145

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B. Relations with Other Countries.

1. Japan.

(1) Military Situation.

793.94

According to reports from missionaries traveling in this Consular District the Japanese and Japanese controlled Chinese troops now hold the coast of Shantung extending west from Chefoo to Weihsien on the railway line. The Chinese troops operating with the Japanese are said to be irregular forces little better than bandits who now rove the country side and rob the inhabitants. While the American missions have been left alone it is reported the lot of the Chinese under the invading forces is much harder than under the guerrillas. The latter, though loosely knit, maintained order in the country side and were moderate in their exactions on the population.

The guerrillas seem to be have been driven back into the mountains and without sufficient arms and ammunition are in no position to stop the advance of the Japanese into the interior of Shantung.

April 11th 200 mixed Japanese and Chinese troops under a Japanese leader whose Chinese name is Chang Tsung-yuan (張宗援) arrived over land from Lungkow and Kwanghsien in motor trucks. The forces left the next day for Lungkow using the same means of transport. The Chinese residents considered the visitors as bandits and were much relieved when the Japanese

Chiefs

- 6 -

chiefs returned to their headquarters at Lungkow.(4)

The Japanese controlled Chinese press in an inspired report said the Imperial Japanese army forces under the command of Colonel Nagahao cooperating with the "Self Government Lied Forces" under the command of Chang Tsung-yuan have occupied P'ingtu (平度), Yieh-hsien (掖縣), Chaoyuan (招遠), Lungkow, Hwanghsien, and Penglai (蓬萊). The translation of the article then continues:

"For the purpose of establishing more intimate relations with both the Japanese and Chinese forces stationed in Chefoo, Colonel Nagahao came here by trucks on April 11, 1939, at 5:20 A.M. with some of his forces together with those of Mr. Chang. They left Lungkow on April 10th at 8:30 A.M. at a distance about 40 kilometers east of Lungkow, more than 200 guerrillas were discovered but later retreated to the hills. The road between Lungkow and Chefoo is in a pretty bad condition at a number of points. They planned to leave here and return to Lungkow on April 12 at 5:00 A.M. but their departure may be delayed for a few days by the rainfall which has made the road very muddy." (Lu Tung Jih Pao - April 12, 1939).

The Japanese army's expedition from Lungkow to Chefoo and its activities along the Shantung coast gave rise to persistent rumors that the army will take over operations from the Japanese Navy. One report attributed to a Japanese employee of the Weihaiwei Customs is the army will take over at Weihaiwei during the month of May, the army apparently being considered better equipped to deal with the guerrillas.

(2) Restrictions on Foreigners.

The Japanese naval authorities on April 11th through
the

(4) Radiogram of April 11, 5 p.m. to the Embassy at Peiping, repeated to 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

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the Japanese Consulate informed the foreign consular officers at Chefoo that beginning April all third power nationals would be restricted to Chefoo. Proceeding outside fixed boundaries which correspond roughly to the municipal limits is prohibited. Japanese for a year or more by a Japanese naval order have been restricted to Chefoo. The new naval order applies to third power nationals the same restrictions as those imposed on Japanese subjects. The Japanese Consul in notifying his colleagues said the restriction is imposed "from the necessity of guarding and also from the point of view of preventing danger from bandit attacks".

The order is primarily directed at Chefoo residents and is to prevent them from proceeding to nearby towns and beaches. However, it interferes with the travel of American missionaries overland between Chefoo and the interior mission stations at Penglai and Hwanghsien.

The Consular Body at Chefoo made informal representations to the Japanese Consul pointing out the restrictions were imposed on the foreign community just at the moment when the Japanese military forces appeared to have completed the conquest of the Shantung coast. If the measures were imposed to safeguard the foreigners as was indicated in the Japanese Consul's letter then there appeared to less need of any such measures than at any other time during the past year unless the Japanese forces operating under the Japanese are to be considered

more

001

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

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more of a danger than the Chinese guerrilla forces. At the same time it was pointed out that a strict application of the naval order would seriously interfere with foreign missionaries who travel by land between Chefoo and their interior stations.

The Japanese Consul replied that for a year or more Japanese subjects by Japanese naval orders had been restricted to Chefoo. He said several times during the past few months the Japanese Naval Commander had informed the Japanese Consulate that foreigners were going to far out into the country but no action had been taken because the consulate has never been informed there existed a definite order restricting third power nationals to Chefoo. The Consulate had now received such an order from the Japanese Naval headquarters and this had now been brought to the attention of the Consular Body. The Japanese Consul promised to present the views of the Consular Body to the Japanese naval authorities. (5)

However, any hope of obtaining an extension of the boundaries or a modification of the restrictions was destroyed by an incident created by two leading British residents of Chefoo. One of these left Chefoo about 5 A.M. with several Russian friends to breakfast in Weihaiwei. The early morning travelers lost their

way

(5) Radiogram no. 30, April 17, 7 p.m. to Department, repeated to Embassy at Peking and Chungking.

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way and the car became stuck in the sand near Muping. The Britisher's brother headed a relief expedition without Japanese permission and was brought back to Chefoo virtually under arrest to the Japanese naval headquarters. The Japanese Commander released the prisoners after reading a lecture to the Britishers and warning them that a second offence would be followed by the confiscation of the automobile.

(3) Trade Monopolies.

Japanese organizing of trade monopolies, guilds and other organizations continued during the month. The most important event was the completion of arrangements whereby Japanese interests assumed control of the Chefoo Electric Company, Limited, with a fifty percent participation in the capitalization of the company. Mr. Chang Ben-ching and Mr. A. Kurosaka joint managing directors entertained 200 of Chefoo's leading residents a reception and dinner marking the formation of the Sino-Japanese power company which will have a monopoly in Eastern Shantung.

Another monopoly is that of the fruit and vegetable guild also organized with Japanese participation to control the sale of these important food lines in Chefoo. The dairy industry likewise has been organized and the guild will control the sale of all fresh milk and butter.

Just before the end of April it was reported the Japanese Great Eastern Company (Ta Tung Kung Sze - 大東公司) on May 1st will relinquish control of the port

DECLASSIFIED: E.O. 11652, 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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port coolies and stevedores to the Chefoo Lighter Guild. As the latter is also under Japanese management the Japanese will still have a monopoly of harbor services.

Another measure aiding Japanese organizations in Shantung was a proclamation of the Senior Japanese Naval Officer notifying the public that effective April 9, 1939, all ships belonging to the members of the Navigation Guild will be permitted to operate along the whole of the Shantung coast and that part of the Kiangsu coast north of the Yellow River. Japanese control the Guild and participate in the profits of the organization.

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict: developments of month of April, 1939.

For the original paper from which reference is taken

See #
(Despatch, telegram, instruction, letter, etc.)

Dated May 9, 1939 From Canton (Myers)
To

File No. 893.00 P.R. Canton/135

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

B. relations with Other Countries:

1. Japan.

(a) Hainan Island:

There was little change in the military situation
in

79394

- 3 -

in Hainan Island. with a total landed force believed not to exceed 9,000 the Japanese were apparently more concerned with consolidating their positions in the coast cities than with expanding the area of occupied territory. However, the Japanese announced occupation without serious fighting of several cities during April, among them were Tan Chow (儋州), Ding an (定安), Taing mai (澄邁), Lokwei (樂會), and Kaohak (嘉積) where the American Presbyterian Mission maintains a station. It is reliably reported by an American who recently arrived in Canton from Hoihow that the Chinese regular forces have offered little resistance. The only resistance the Japanese experienced in Hainan, according to the same source, was from Chinese irregulars and communists.

(b) West River:

The Japanese drive on Kungmoon (江門) which began during the last few days of March resulted in the capture of that treaty port on March 28. Surrounding villages including Sunwei (新會) were occupied early in April and notwithstanding considerable opposition (according to Chinese reports) from Chinese irregulars supported by Kwangai troops the Japanese slowly extended their operations in an attempt to gain control of the West River delta area. The Ngse Mun (崖門) and the Tan Kiang (潭江) rivers were closed to navigation by the Japanese late in the month but as both rivers were used principally by Chinese launches and junks for local traffic the Japanese announcement of the closing of these rivers had little

meaning

- 4 -

meaning to foreign shipping. Hekshan (鶴山) about 30 miles to the west of Kengmoon was captured on the 28th and it was reported that Japanese troops were continuing on toward the strategic city of Shihing (肇慶) on the West River.

(c) The "April Offensive":

The severest fighting yet to take place in Kwangtung occurred during April with heavy casualties on both sides.* A Domei news report estimated Chinese casualties on the Kwangtung front between March 20 and April 19 at over 14,000. Japanese casualties in the same period were given as 123 killed and 361 wounded. In view of the Japanese admission of severe fighting these figures are subject to question, the estimate for the Japanese casualties being considered too low and for the Chinese, too high. The Chinese, apparently in an endeavor to frustrate the Japanese advance in the West River delta area with its consequent threat to Kwangsi Province, simultaneously began drives on Japanese lines encircling Canton from the east, north and west. According to available information, Japanese positions temporarily abandoned as a result of these attacks were subsequently regained. At the end of the month the Chinese "April offensive" appeared to be spent, and the Japanese claimed that no Chinese forces were within a radius of forty miles of Canton. However, information received from a reliable source indicates that there recently were National Government troops at Lupao (蘆苞) which is only about 18 miles from Canton. Japanese control of the

area

*Telegram No. 47 of April 23, 7 p.m.

- 3 -

area along the Canton-Hankow railway, according to available information, does not extend northward much beyond Lunxai (新街) which is only about 17 miles from Canton.

(d) Aerial Activities:

Bombing operations appeared to be on a somewhat smaller scale than in preceding months possibly due to unfavorable weather conditions and were, it is believed, directed mainly against Chinese troops and against guerrilla and bandit units operating within the occupied territory.

(e) Birthday of Emperor of Japan:

The Japanese Consul General on April 29 held a reception at the former Provincial Government's Guest House, one of the buildings in the premises now occupied by the Japanese Consulate General, in celebration of the birthday of the Emperor of Japan. It was the first gathering of any size in which the Japanese have been hosts to the foreign communities since the invasion of Canton last October. Among the two hundred odd guests present were the officials of the Japanese-sponsored Kwangtung Peace Maintenance Commission.

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Japan's present actions in and with regard to China. Note of United States government to be addressed to Japanese Foreign Office as soon as expression of opinion is received from Mr. Dooman. This note will deal with all phases of Japanese activities in China, in relations to other foreign interests.

aa

793:94/15168

For the original paper from which reference is taken

See tel # 182, 11 p.m.
(Despatch, telegram, instruction, letter, etc.)

Dated July 1, 1939 From
To Japan.

File No. 893.102 Tientsin/311

793:94
15168

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Political situation in China during month of
June, 1939, as a result of Japanese
aggression. Report concerning-

aa

793.94/15169

For the original paper from which reference is taken

See tel # - , 6 p.m.
(Despatch, telegram, instruction, letter, etc.)

Dated July 3, 1939 From | Canton (Myer)
/16/ |

File No. 893.00 /14393.

15169

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

EE

Note
793.94

CJ

GRAY

CANTON VIA NR

Dated July 3, 1939

Rec'd 3 p.m.

Secretary of State,

Washington.

July 3, 6 p.m.

The following is the political summary for June.

Sporadic fighting between Chinese troops and small detachments of Japanese occurred in early and mid-June principally in the Kongmoon-Sunwui-Hokshan area south of Canton. In the middle of June considerable bodies of Japanese troops were withdrawn from the Canton area for service elsewhere. On June 27 hostilities on a larger scale began in the region north of Canton between Tsungfa, Fahsien and the Canton-Hankow Railway. The Japanese stated that Chinese units between Tsungfa and Fahsien were repulsed, but the Chinese claimed to be pushing southward and to have recaptured Sunkai, two miles north of Canton on the Canton-Hankow line.

During June the Japanese in Kwangtung, including Hainan Island, continued to organize Chinese bandits and others into local protection or pacification corps. Chinese troops reportedly had several clashes with such

units.

893.100 / 14393

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

-2- #., July 3, 6 p.m., from Canton via NR

units.

According to available press reports Japanese forces on Hainan Island were relatively inactive during June. On June 20th the port of Hoihow was reopened to foreign shipping, but according to information from official sources foreigners must obtain permission to enter that port.

Japanese bombings of American mission property at Shiuhing and Shiuchow were subject of representations to the local Japanese authorities as was the property damage suffered by a mission hospital at Siulam during a bombardment of that town by a Japanese war ship.

Lawlessness in Canton decreased during the month. Many bandits and guerrillas arrested in and near Canton were reported by the Japanese to have been executed. Disturbed conditions in the countryside continued.

Canton's Chinese population increased but a number of Japanese merchants (?) left the city.

Japanese steamer service between Canton and Macao was improved. Several filatures in the Shuntak district reopened following Japanese demand for silk for shipment to India. The Canton dollar fell about 12 per cent during the month, in sympathy with, but not attacked severely as, the yuan. Work on razing fire gutted buildings proceeded slowly, but reconstruction was negligible. Industry was
inactive

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

-3- #-, July 3, 6 p.m., from Canton via NR

inactive and trade in goods other than necessities was
practically nonexistent.

Sent to Peiping.

MYER

WWC

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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

1939 JUL 1

JUN 24, 1939

39 JUN 30 1939

MR. MESSERSMITH

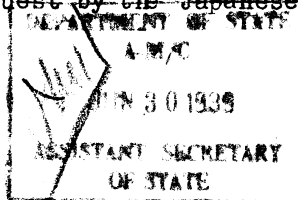
MMH:

Mr. Kase, First Secretary of the Japanese Embassy, called today and handed me the attached memorandum, stating as he did so that it was for our information. Noting that it referred to a speech by Mr. Julian Arnold, I replied that, although I did not know what Mr. Arnold had said, his statements were undoubtedly not as bad as the statements of some representatives of the Japanese Government in regard to the present situation.

The Memorandum consists entirely of summaries of views expressed by Mr. Arnold in various speeches. These views are all adverse to Japan. No statement is made in the memorandum by the Japanese Embassy.

I should think that nothing need be done with the memorandum as it contains no comment or request by the Japanese Embassy.

FE:Sa/sbury



793.94/15170

F/FG

See no need for action. [Signature]

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

3
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DEPARTMENT OF STATE

1939 JUN 21 AM 10 30

June 21, 1939

Mr. Julean Arnold, American Commercial Attaché in China, delivered a speech on the influence of the Sino-Japanese hostilities on American trade, at a regular luncheon meeting given by the Seattle Chamber of Commerce on November 4, 1938, and similar speeches at several other places.

At the above-mentioned luncheon, he is reported to have said that the Japanese invasion of China jeopardized American democratic institutions and threatened to lower the present standards of living in America; and furthermore, that it tended to endanger the world economic system. He is also said to have observed that, in spite of definite sympathies toward China of the average American, a great amount of war supplies had been sent to Japan only to aid Japanese aggression in China, while legitimate American foreign trade had been left to suffer disorganization -- a deplorable contradiction in itself.

From November 13, 1938 to November 18th of the same year, Mr. Arnold delivered altogether about eighteen speeches before school alumni associations, Chamber of

793.94/15170

F/FG

A
H
Japanese Embassy
June 24
FE
WAG

102

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

Commerce meetings, etc., in and around the City of Portland.

It is Mr. Arnold's claim that Japan's real object is to beat China to its knees. This having been done, she will then subjugate the 450,000,000 Chinese and establish a Japanese feudo-military overlordship on the Asiatic Continent. It will then follow that the whole world will be flooded with Japanese-made articles so that protective tariffs and reciprocal trade agreements will be worthless. Among reprisals against Japan which had been discussed, Mr. Arnold suggested as the minimum action which Americans should take, the stoppage of the supply of American war materials to Japan.

At a meeting of the National Emergency Committee for Christian Colleges in China, held at the Pasadena City Hall near Los Angeles on January 4, 1939, Mr. Arnold was credited with the assertion that America's greatest interest in China was not trade, but the education of the Chinese people and the introduction of occidental culture through Christianity. Japan, in wanton disregard for this sacred work, has been bombing American-owned churches and schools. One of the main objects of the Japanese invasion is to flood world markets by utilizing cheap Chinese labor. This, he declared, must be called the "yellow peril". Again he reiterated the necessity of measures to prohibit

exports of munitions to Japan and means of blocking her credit facilities.

At a meeting sponsored by the Commonwealth Club of San Francisco, Mr. Arnold said, to quote from the Official Journal of the Commonwealth Club of California, that "the Japanese war lords, in their belief in 'manifest destiny', clearly have in mind dominating, first, all Asia, then all the Pacific, and finally, much of the rest of the world." "In time", he continued, "Japan will carry her 'buffer state' theory to the point where she will need the Philippines as one of her puppet states."

On March 3rd, last, Mr. Arnold addressed the Lafayette School in Berkeley, California; he also made a speech at the Pacific House at the San Francisco World's Fair, at a meeting under the auspices of the Institute of Pacific Relations. His reasoning there was much the same as in his previous speeches. In his speech at Lafayette School he is reported to have stated:

- (1) That none of the reports of Japanese "atrocities" in China were exaggerated and that he himself had seen many instances of such "atrocities".
- (2) That the bombing of the Panay was a matter of deliberate intent on the part of the Japanese to see how far they could go in "blasting

America off the Asiatic continent."

- (3) That at a sympathy-meeting held in Tokyo after the bombing of the Panay, a Japanese who had at one time been Minister of Education likened Japan to the fox and America to the crow in the fable of the fox who flattered the crow into dropping the cheese.
- (4) That the United States should adopt "reprisals" against Japan in the form of an embargo or boycott.
- (5) That Americans as individuals should "bombard" their Congressmen with letters and telegrams urging the adoption of "retaliatory measures" against Japan; and
- (6) That Japan is a "menace" to America and to the whole world because of the "Japanese militarists" idea of "manifest destiny", and that Japan's ambition is "to rule the world".

Mr. Arnold contributed an article entitled "China's Fate and America's Future" to the June issue of the "Amerasia". It states that

"Japan hopes: 1. By a policy of terrorism to subjugate the great masses in China, and thereby establish a Japanese feudal military overlordship on the Asiatic Continent. . . . 3. To set up on the Asiatic Continent a grandiose Japanese military

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

machine in preparation for further conquests in
the Pacific and eventually to achieve Japan's
so-called manifest destiny to rule the world."

703

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

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict: developments of the month of April,
1939.

For the original paper from which reference is taken

#407 to Embassy, Peiping.
See 893.00 P.R. Tsingtao/130
(Despatch, telegram, instruction, letter, etc.)

Dated May 2, 1939 From Tsingtao (Sokobin)
To

File No. 893.00 P.R. Tsingtao/130

DECLASSIFIED: E.O. 11652, 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. Japan

Asia Affairs Board

793.94

In a minor but not altogether insignificant direction the policy of the Japanese Government manifested through the Asia Affairs Board was shown in the detachment of two consular officers from the Japanese Consulate General in Tsingtao for full time duty in the local office of the Board. While these officers retain their consular rank, it was emphasized that their duties will pertain exclusively to the Asia Affairs Board.

- 8 -

Board. In view of the closing of the Japanese Consulate General at Mukden as a concomitant of the Japanese position in Manchuria, speculation as to the future role of the Japanese Consulate General in Tsingtao was aroused by the transfer of the two officers.

The Japanese Consul General attended a meeting of officials in Tokyo in connection with the policy of the Asia Affairs Board.

Japanese Military Activity

The Chinese April offensive appeared to have little effect on Japanese military activity in the Tsingtao region; a slight tightening-up of the patrols in the vicinity of the large Japanese military post under construction on the outskirts of the city was observed, while one or two air raid drills were held in which the public did not participate. As an illustration of (1) the lack of apprehension on the part of the Japanese military here and (2) the freedom with which foreigners may move in the city, it may be noted that on one occasion when the entire city was plunged into darkness by the cutting off of all electric current, foreigners moved about the city at a late hour traversing a distance of three miles without being halted by the one or two small Japanese patrols encountered along the way.

Guerrilla Activity

Very little guerrilla activity appeared to have taken place in April; an occasional report of a clash
of

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

- 9 -

of the "Yu Chi Tui" (游擊隊) with the Chinese mercenaries was received, but when examined closely little significance attached thereto. Adverting to the question of the effectiveness of guerrillas and the Japanese position off the railway lines, it is of interest to note that in Shantung there are 108 hsien. That a minimum of 1,000 Japanese soldiers would be required to man each of these hsien at this time goes without question; accordingly a force of 108,000 Japanese would be needed to occupy all of Shantung for ordinary pacification purposes. The Japanese obviously do not intend to permit an army not much smaller than the American standing army in size to be immobilized. Even if it were conceded that each hsien could be held and "pacified" by a force of 500 Japanese, an army of 54,000 men would be needed for the purpose; that figure is likewise a respectable one for the Japanese; the Japanese appear loathe to use that number of men at this time for the complete subjugation of Shantung. There are cities within no great distance of Tsingtao which are held neither by any Chinese National Government force nor by guerrillas, and yet which the Japanese are content to refrain from occupying. Pingtu is a good example; a small force of the Chinese mercenaries is in occupation and the only Japanese there are those connected with a motor bus line, yet Pingtu, 50 miles from Tsingtao, is off the railway in a region where guerrillas have been reported present for the past twelve months. Japanese military

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

- 10 -

military policy appears to be conceived with no less
determined design than Japanese economic policy - the
inexorable, however, slow, domination of the region.

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

CROSS-REFERENCE FILE

NOTE

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

793.94 / 15172

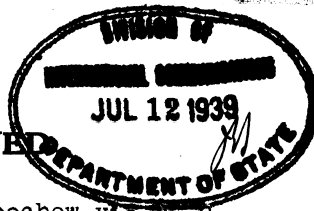
For the original paper from which reference is taken

See Memorandum
(Despatch, telegram, instruction, letter, etc.)
State Department
Far Eastern Division
(Salisbury)
Dated June 15, 1939 From
To

File No. 890.00/148

15172

DECLASSIFIED: E.O. 11652, 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. (br)

Foochow via N. R.

FROM Dated July 6, 1939

Rec'd 8:20 a.m., 7th.

Secretary of State, Division of
Washington. *Division of
Far Eastern Affairs*

JUL 7 - 1939

Department of State

July 6, 4 p.m.

COPIES IN PARAPHRASE
SENT TO C.N.I. AND
M.I.D. IN CONFIDENCE

EPR

According to reliable reports the Japanese have sunk
from eighty to one hundred fishing boats at the inner bar
at the mouth of the Min River, leaving an open channel
the course of which is said to be known only to the
Japanese themselves. It is also stated that Admiral
Li has mined the barrier and press and other reports
allege that the Japanese attempted landings at four
different points along the coast northeast of Foochow on
July 2 but were unsuccessful.

A British telegraph operator has taken over the
station of the British owned eastern extension, Australasia
and China Telegraph Company at Sharp Peak, the operator
who left the station at the time of the Japanese occupation
having been discharged. Three other British operators are
to be detailed there as soon as they can be brought to the
port. The Japanese marines in occupation of Sharp Peak
will remain there, and a number of howitzers have been set
up facing the sea, it is stated.

Japanese naval craft formerly standing out of Sharp

Peak

793.94/15173

JUL 13 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. Quisenberry NARS, Date 12-18-75

-2- July 6, 4 p.m., from Foochow.

Peak are now reported to be concentrating in Hsinghua Bay, possibly for an attack on Hsinghua City.

The impression is becoming general among informed observers here that Foochow may escape at least temporarily the invasion which has appeared imminent for a week.

Sent to Peiping. Repeated to Chungking, Shanghai.

WARD

RR:CSB

7040
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Confidential

P A R A P H R A S E

A telegram of July 6, 1939, from the American Consul at Foochow reads substantially as follows:

The station of the British owned Eastern Extension, Australasia and China Telegraph Company at Sharp Peak has been taken over by a British telegraph operator. As soon as they can be brought to the port three other British operators are to be detailed there. The operator who left the station when the Japanese occupied that area has been discharged. It is said that the Japanese marines who are occupying Sharp Peak will stay there and that a number of howitzers have been placed in position facing the sea.

It is reliably reported that at the inner bar at the mouth of the Min River between 80 and 100 fishing boats have been sunk by the Japanese who have, it is said, left an open channel whose course they alone know. There are reports also that the barrier has been mined by Admiral Li and various reports, including press reports, are to the effect that on July 2 at four different places along the coast northeast of Foochow the Japanese made unsuccessful attempts to land. It is reported now that Japanese naval vessels are concentrating in Hsinghua Bay, maybe for the purpose of attacking the city of Hsinghua. The vessels were formerly standing out of Sharp Peak.

Well-

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

-2-

CONFIDENTIAL

Well-informed observers in general in Foochow are beginning to feel that temporarily at least Foochow may escape the invasion which for a week has seemed about to occur.

793.94/15173

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7/8

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FE

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

15547

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 11, 1939

You may care to read in its entirety
Chungking's despatch no. 244 of June 20, 1939,
in regard to conditions in Shansi and Shensi.

The enclosure, which ^{is also well worth reading,} ~~contains the following items of interest.~~
A steady stream of goods is moving in both
directions on the Chengtu-Sian road by cart,
mule and camel. Some carts are equipped with
old automobile tires and others with rough
flax braids bound to iron rims with tar. Life
in Sian has been adjusted to bombing raids,
and most casualties now are caused by caving
in of dugouts, fires and falling debris. A
large amount of new building is in progress
at Sian. Yen Hsi-shan stated to the traveler
that in positional fighting the Chinese losses
were probably over four to the Japanese one.
In the first period of guerrilla fighting, the
losses were one to one, and in recent months
the proportion is between thirteen and fourteen
Japanese to one Chinese. This situation has
greatly raised the whole morale of the Chinese
troops.

In Shansi and Suiyuan the Chinese have
lost 80,000 dead and 90,000 wounded, and their
military supplies have been reduced by one-
half during the past year. However, they seem
well equipped for the kind of fighting now
being undertaken.

At

793.94/15174

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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-

At the Chinese headquarters near Chi Hsien a Russian adviser was interviewed. He stated that he had never before seen such good relations between officers and common soldiers, that he had been given instructions to do no political work but only to give military advice and to return to Russia as soon as the war is over. He stated that Japan has not yet succeeded in accomplishing any of the three requirements for the conquering of a country: first, scattering of enemy troops and overthrowing of the government; second, breaking the will of the people or winning them over; and third, occupying most of the land. He did not believe that Japan will succeed in making her army self-supporting in China. Japanese prisoners appeared to be well-treated and within a short time after their capture displayed a friendly attitude toward their captors.

There is still some friction between the Shensi Provincial Government and the Eighth Route Army authorities, such as, for instance, the appointing of two magistrates to certain locations in the areas that ~~are~~ supposedly turned over entirely to the Eighth Route Army.

The Eighth Route people say that the United Front is not an opportunist policy but one that they hope can be maintained permanently although it does not mean the wiping out of all political distinctions.

The

104
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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75


DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-3-

The traveler found no evidence of any under-cover criticism of the nation's present political leadership. The Eighth Route Army is expecting a very long period of fighting and every activity in the Yen-an area is directed toward a long-time resistance.

793.94/15174


FE:Penfield:HJN

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

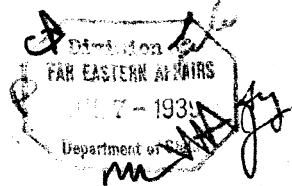


EMBASSY OF THE
UNITED STATES OF AMERICA
Chungking, June 20, 1939.

No. 244.

Subject: Conditions in Shansi and Shensi.

Confidential



For Distribution Check		Yes	No
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For	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

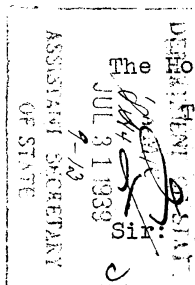
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1939 JUL 7 AM 11 19

DIVISION OF
COMMUNICATIONS
AND RECORDS

A-W/C
RECORDING DESK
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The Honorable
The Secretary of State,
Washington.

I have the honor to refer to this Embassy's telegrams
Nos. 129, February 23, 1 p.m., 144, March 1, 10 a.m. and
268, April 17, 10 a.m., all dealing with war conditions in
1/ China's northwest, and to enclose in this relation a copy
of an article on the subject "The Northwest Fights," which
relates some of the observations, impressions and experi-
ences of Mr. Andrew T. Roy, an American citizen affiliated
with the University of Nanking, who together with two other
Americans, Dr. Robert Brown and Miss Joy Homer, toured
various areas in southwestern Shansi and southeastern

Shensi

793.94/15174

F/FG

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

15549

- 2 -

Shensi during the month of May 1939. The group interviewed General Yen Hsi-shan at his headquarters at Ichuan, Shensi, and Mao Tse-tung and other Chinese communist leaders at Yen-an, as well as the Shensi provincial authorities at Sian.

Mr. Roy's account, like the observations contained in the telegrams under reference, reflects an atmosphere of optimism, confidence and hope for the Chinese cause in the northwest. It portrays the birth among the Chinese of a new spirit of self-reliance and resolution born of adversity; it once more evidences an amazing ability on the part of the Chinese to adapt themselves to kaleidoscopic changes of conditions and circumstances and to overcome the numerous difficulties confronting them; it indicates that they have devised plans for meeting Japanese aggression and that creditable if unspectacular results are being obtained through pursuance of these measures; and lastly it fortifies the conviction that the Japanese have a very formidable if not insuperable task before them in attempting to eradicate the spark of resistance in Shansi. The evident failure of Japanese military operations in Shansi thus far in 1939, notably the attacks on the Chinese bases at Wutai and in the Chungtiao mountain range of south Shansi, and their repeated failures to cross the Yellow River into Shensi, are eloquent testimony of the magnitude of the difficulties with which they are beset in that area.

Mr. Roy's comment concerning the status of relations between the National Government and Chinese communist authorities (see pages 27-29) is of particular interest and is added evidence of the seeming genuine desire of the Chinese communists to cooperate with the Kuomintang both during and after the present war in the building of new

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

- 3 -

China under a democratic form of government. The sole desiderata of the Chinese communists appear to be that they be ensured of the right to maintain their party organization and carry on political activities without restrictions; in other words, they desire to be placed on a basis of unrestricted equality with the Kuomintang as an internal political organization. The feeling here at Chungking among informed observers is that General Chiang Kai-shek, who has at various times since the outbreak of hostilities voiced his scorn of certain sections of the Kuomintang for their ineptness and reactionary conservatism, is likely to work for some such peaceful solution of the Kuomintang-communist dilemma. But it is only natural to think that certain influential elements in the Kuomintang will exert every effort to sabotage cooperation between the two organizations and will bend their power to ensuring the continuance of the Kuomintang as the sole ruling organ and, of course, of their own positions of influence. It is not at all unlikely that the Generalissimo may find it necessary to liquidate these latter elements in the Kuomintang if he is to proceed unhindered with the work of national reconstruction.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

40
 4 copies
 Received *AKNE*

Enclosure:

1/ Copy of article.

Original (by air mail) and
 four copies to the Department.
 Copy to Peiping.
 Copy to Tokyo.

710

EPD:MCL

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

Enclosure No. 1
 Despatch No. 244
 Dated June 20, 1939

THE NORTHWEST FIGHTS.

We went to Northwest China. We hoped to take four weeks. It took us eight. Our car was "Eva", an American Dodge, with a teakwood body, bought in Burma. She came over the new Burma highway to Chungking, and there the National Christian Service Council for Wounded Soldiers in Transit painted a Red Cross on a green field on her roof and Chinese characters on the sides. She had only wooden seats and the road was anything but smooth. The steering apparatus broke the first night out of Chengtu. There are no garages along the road so we searched for miles for a missing piece of bolt, then sent back to Chengtu and had new ones cast.

We finally arrived in Sian a few hours after a disastrous air-raid. The road up had been beautiful but breath-taking. In Szechwan, miles of brilliant yellow, (rape in bloom). Gradually mountains, more mountains, all mountains. The road became narrow, grooved sometimes out of a perpendicular wall of rock on one side of a gorge: no place for Japanese mechanized troops to speed along. Everywhere squads of road repairers were at work. Cotton, tobacco, soap, munitions, lumber, pushed in both directions in a steady current on rubber-tired horse carts, on mule back, on camel trains. Getting the car past these carts was an engineering problem. One afternoon we struck rain and stuck. Eva refused. We located a potato starch and charcoal cooperative where we were courteously received for the night and given bowls of hot potato starch. The next day we started moving, but the car found all directions equally easy. We borrowed ropes and passersby and finally, after creeping through the snow over the pass by Chin Ling (nearly 14,000 ft. altitude) we reached Paochi. There we

found

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found more industrial cooperatives, over fifty in the vicinity. (On our way back a few weeks later the number of these had increased to eighty). We saw shoemaking, military uniform, canvas, carpentering, medical cotton and gauze, cotton weaving cooperatives and various others. At Shuang Shih Pu We found a machine-shop cooperative which in the rear was making wooden carts with flax tires. Others carts are using old automobile tires, which are easy on the road but terrifically expensive. The cooperative was weaving rough flax into thick braids and binding it tightly to iron rims with tar. It works, and a pair of wheels so treated costs six or seven dollars Chinese, as compared with hundreds of dollars for used tires that no respectable automobile would look at. The flax tires are good for three months steady hauling. By placing each wheel inside a double wooden frame work and using roller bearings they are able to use a surprisingly thin and light steel axle. The Industrial Cooperative Movement seems to have taken hold in the North West. Many are in caves. All have simple but workable equipment and the spirit of the men is excellent. They are equipped to move at short notice. Many of the members are refugees who brought their equipment and their skill with them. One cooperative, for instance, talks Hopei dialect, another that of the Wuhan area. Their buildings and caves are clean and well arranged, with the principles of the Cooperative Movement prominently displayed. Living conditions are healthy, but far from luxurious.

We rose early one morning and attended a session of the School for Cooperative Organizers. We found over thirty students of college age listening to a practical lecture on industrial chemistry. The school should be given more support and more students introduced to it. It needs books for a library, in English or Chinese, on technical subjects or Cooperation. The

Industrial

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Industrial Cooperatives Movement impressed us as one of the most hopeful of wartime activities, providing employment for skilled refugees, producing necessary commodities close to the front, helping farmers by use of local materials, avoiding the evils of concentration of industry, training industrial workers in the benefits of cooperative production and living, providing centers of economic activity for the reconstruction period.

At Sian we found that the city has been bombed so many times that people have adjusted their lives to it. Fewer and fewer now get killed in the raids. They know what to do, and do not waste time doing it. The Christian institutions have appeared to be special targets, probably because of their excellent locations. The Episcopal Church compound has been hit three times but Bishop T. K. Shen declines still to leave it. The church and school are shattered but daily services continue in a tiny chapel built in the Bishop's home.

The English Baptist Hospital has also been hit a number of times. Dr. Stockley was walking one morning toward his operating room when the operating room suddenly received a direct hit in front of him. He was very close but escaped injury. Hospital work is carried on outside the city in the day time and a clinic is opened in the hospital property at night. The English Baptist preaching center in the middle of the city was completely wrecked. The Y.M.C.A. has been hit and one building shattered. Many bombs in Sian have not exploded. One of the English Baptist homes in the city had a bomb lying in a pit across the street for days providing, naturally, a certain sense of expectancy. Shops carry on at night, keeping part of their supplies in the country. People leave the city every morning and return about four or five o'clock in the afternoon. Now many people are remaining throughout the day, having discovered that shallow dugouts are quite effective in the event of raids.

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The majority of those killed are caught in caved-in dugouts, in fires, under falling debris, etc., not hit directly by bombs or shrapnel.

What surprised us at Sian was the amount of new building. Those whose shops had been destroyed are putting new ones up again. The police are very efficiently organized so that a few hours after a raid one would scarcely know that anything had happened. Bodies are cared for at once. Debris is cleared and life goes on as usual.

From Sian we went to the front in the Second War Area. We were a party of five - Dr. R.E. Brown (of Wuhu), medical adviser to the National Christian Service Council for Wounded Soldiers in Transit; Wm. B. Djang, associate general director of the same organization; Joy Homer, writing for the Church Committee for China Relief; Marguerite Bau, physiotherapist from Peking Union Medical College, who had gone to America with the "iron lung case"; and myself. Col. Tien, returned student from America and secretary to Marshal Yen Hsi-shan, acted as our guide and friend. Eva's constitution could not stand the road conditions near Lochuan. After being pulled through the mud by oxen and mules and being pushed by men she finally broke the gasoline feed pipe and the front springs. We filed off the broken section of the feed pipe and hammered out a new beveled edge to fit the carburetor connection. On top of the broken springs we wired eight Chinese grass shoes soaked in hot water. We found them so effective that the car still wears grass shoes. We went as far as we could by car, then took donkeys, mules, and, finally, horses, in a graduated order, until we reached Marshal Yen's headquarters. On the way we passed through deserted land, much of it good for farming and with forests on the mountains. Wolves, wildcats and other animals had taken possession. We wondered why refugees were not settled there. The district had originally been deserted

because

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because of bandits. Now it is quite safe. We were later told that a plan was on foot to put the whole area into alfalfa for the army horses.

At Yen Hsi-shan's headquarters we found four thousand men living in a brand new cave city. The caves were three or four stories high, or rather tiers high - beautiful caves holding as many as thirty or forty men each. Marshal Yen talked with us two hours one morning. He told us particularly about the military hopes and successes in the Second War Area. During the earlier period of field fighting en masse the proportion of losses according to Chinese reports had been four Chinese to one Japanese. Marshal Yen thought the proportion was probably higher in fact. In the first period of guerrilla fighting the proportion came down to one to one. In recent months, according to actual count, the proportion is between thirteen and fourteen Japanese to one Chinese. This has changed the whole morale of the Chinese troops. They reminded me of nothing so much as a lot of America college students after a football victory. In the Second War Area they are not making serious attempts to take cities. The Japanese are lured out of the cities and trapped. Marshal Yen feels that the steady drain will tell upon Japan. Japan has nothing to gain by further attack in the area. She controls the railroad and the largest cities in Shansi. The situation is the reverse of that in the Shanghai-Nanking struggle where Japan had large objectives in front of her. Now, in the Northwest, for Japan to remain stationary means a constant drain of her men and supplies in maintaining communications. To drive further into the loess hills and mountains means a heavy loss of men with nothing tangible to gain. The Japanese twice drove through to Chi Hsien, near the Yellow River. They lost seven thousand men and many supplies and got only an empty town which they later lost.

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lost. We visited Chi Hsien and saw the situation there at first hand. These fruitless drives are affecting the Japanese morale, whereas the morale of the Chinese army and the people in that area has reached almost the point of exuberance. The officers are realistic and state that Japan could break through at a number of points if she wanted to send a strong enough and sufficiently well-equipped force. But she is like a fish in a big net - the net gives in almost any direction, and the fishes head can force itself through; but the gills are liable to catch and tangle, and withdrawal is not easy.

In the whole area the number of educational institutions and students remains practically the same as before the war but the type has changed. Institutions are all carrying on emergency education of three types - military, political, and civic. Their aim is 100,000 in training in institutions of this type. They now have between 40,000 and 50,000. The schools are in great need of textbooks on scientific subjects, especially chemistry, mechanics, and radio engineering. English language books definitely could be used.

Since the fighting began in Shansi and Suiyuan, the Chinese army in the area has lost 80,000 dead and 90,000 wounded. The difficulties of caring for the wounded are great, due to the poor communications in the mountains. The Chinese in the area have only about one-half of the military supplies of a year ago, for the big arsenals have been taken. However, they seem well-equipped for the kind of fighting now being undertaken. A few days before we arrived the Chinese had destroyed forty li of Japanese controlled railroad, removing rails, ties, and everything. When the Japanese came out to repair it they dynamited a landslide down upon the track, engulfing hundreds. So it goes. Marshal Yen said he personally had two reactions to the Japanese - first, hatred, and second, gratitude. Every since the time of

Chin

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Chin Shih Huang Ti China had been great and the surrounding countries small. Therefore an inward looking policy developed. The only real enemy was within. The government therefore adopted the conscious or unconscious policy of keeping the people ignorant. Japan has destroyed that policy forever. People are awake, not only awake but organized and trained. And China's policy is no longer inward looking.

From Marshal Yen's headquarters we went across the Yellow River to the Shansi front. It seemed to me almost impossible for the Japanese to drive across the Yellow River in that area. The defences and physical terrain would make it far more costly than it would be worth. The defences are everywhere apparent close up but scarcely apparent at all from a distance. The workers have done an excellent job of protective coloring. The land is a configuration of high loess hills (rocky in parts), broken up by countless ravines and narrow gorges. The narrow paths are so steep that riders dismount and even the hardy little Mongolian ponies, accustomed to the locality and able to climb anything but a tree, stop every few paces for breath. In wet weather travel is impossible. The whole country looks like a huge Grand Canyon. The tops of the knobs are green with crops, the sides are brown clay mixed with some miraculous glue that keep them perpendicular without slipping. There are no motor roads in the area and no mechanized equipment could be used. The Japanese once did drag small mountain guns up to the hills on the eastern bank of the river and fired across but they retired when the Chinese returned their fire. There were very few people in the country we passed through. Occasionally we passed small cave villages but the majority of the people in the whole area appeared to be young men between the ages of eighteen and thirty. No one can

travel

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travel through the area even on foot without permission from the military authorities. With so few farmers about and such rugged mountainous country we wondered about food supplies. The officers assured us there was no food problem, that though rice was five or six times what it would be in Sian and flour very expensive, yet there was no real shortage. People eat millet and beans. For two or three years now the northwest has had excellent crops. The people and the army are living very simply and have few wants. They gave that as one of the reasons why Japan would be ultimately defeated. The Japanese army is being forced to spend more and more. The Chinese who are willing to sell things to them charge enormous prices. The Chinese army does not have to maintain costly supply lines, for the people supply them with local products. Instead of sending food supplies to the front the Chinese soldiers are provided with money to buy food themselves from the villages they pass through. Apparently the system is satisfactory to both soldiers and villagers, for the most cordial relations appeared to exist.

Scattered through the hills are small hospitals for wounded soldiers. We were particularly interested in these. The wounded soldiers were cared for largely in caves high up in the hills. The location and air and sunshine outside are excellent. But the physical equipment is extremely meager. Medical supplies are badly needed all through the region. A few simple medicines are available everywhere but adequate surgical equipment is almost non-existent. The wounded soldiers made no complaints and seemed to be in comparatively good spirits. They slept on the ground or on clay kangas and had nothing to look at or hear or do most of the day. The caves are naturally dark and the ventilation not always good. It is scarcely a comfortable way to spend two or three months. There is a real call for Christian groups to develop more of

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a service to these men. Between dressing stations and these small hospitals the wounded are carried on stretchers. In many cases the stations are too far apart and the difficulties of securing food and attention on the way seem rather great. The Christian Service Council is therefore hoping to send teams of men into the area to help.

At Chi Hsien, the city taken twice by the Japanese and again retaken by the Chinese, we were given a tremendous reception. Placards were posted on the walls of the city, and the whole town turned out. We copied down some of these slogans put up by the Chi Hsien Salvation Sacrifice Society, the Group for Justice, the Farmers' National Salvation Society, the Young People's Salvation Society, the Women's National Salvation Society, etc. They had printed in Chinese, "Welcome to our international friends", "China and America clasp hands to preserve world peace", "The Japanese war of aggression in China is destroying collective security," "We welcome the Christian Service Council for Wounded Soldiers to guide our work," "America is a nation that holds fast to righteousness for mankind and peace," "All of the nations that truly love peace are our friends", and many others. Some included our names.

The first time the Japanese seized Chi Hsien the people scattered to the hills but the Japanese seized livestock and supplies and burnt the city. The second time people carried everything away and the Japanese found only an empty shell of a city. They did locate a few Chinese (thirty-two in all) who had climbed to some caves up the side of a mountain for protection. The Japanese demanded supplies and were refused. The only access to the caves was up a series of footholds cut in the clay of the perpendicular wall below the cave community. The Japanese tried to attack but were held off for three days, as the Chinese above rolled

down

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down rocks, tables, chairs, everything they could secure. They were largely elderly men, women and children. On the third day the Japanese succeeded in getting above the caves and protected with rifles the approach from below. When they finally gained access to the cave level they bayoneted every man, woman, and child there. Four small children were later recovered and are the only survivors. They had fainted in the back of the caves protected, but nearly smothered, by the weight of their mothers' dead bodies. Three women were dragged out and attacked. They resisted and tried to escape. The Japanese then threw them over the edge where their bodies hurtled to the base of the cliff. Those who found them later said the faces were a terrible sight - with the anger and agony of their last moments stiffened into the muscles.

We were given a banquet in the city and stayed up to a late hour talking with officials and others who dropped in. The city was almost wiped out by fire and fighting, but business is going on as usual. New shops are going up and the spirit of the people has not at all been broken. People are all thoroughly organized and there seems to be no fear of a third attack. The Christian church is destroyed but the Christians are meeting in the upper room of a private dwelling. The local Christians have just organized a committee for service and comfort to the wounded soldiers who pass through.

From Chi Hsien we went on to the General Headquarters of the Chinese Army at the front. The word "front" is scarcely correct for the Chinese are on both sides of the thin line of Japanese along the railroad. They attack from both sides and retreat at will in either direction: I say retreat at will consciously, for retreat is definitely a part of guerrilla strategy. No open mass fighting is carried on and very few large-scale daylight attacks are made. Marshal Yen says they have a new term for the fighting - chi tung chan. The strategy

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is apparently this - the Chinese will attack suddenly with a small force. The Japanese send out a body to counterattack. The Chinese quickly retreat to the hills. The Japanese, encountering no resistance, follow. The Chinese unit scatters and the Japanese, unable to locate their attackers and finding themselves at some distance from their base, turn and make for the walled town which they have left. In the meantime, stronger bodies of Chinese troops have either attacked the weakened garrison in the walled town or have come in from both sides behind the returning Japanese and ambushed them. Machine-gun fire from ambush is quite deadly in that country. Quite often by the time the source of the fire is located it is too late. The Chinese officer said that the front in one day may easily shift fifty li (fifteen miles) east or fifty li west. They keep about as many troops in back of the Japanese as in front of them. When the Chinese officers run out of special provisions, they seize Japanese stores along the railroad, canned goods and such.

We were greatly impressed with General Chen, the commander in charge of this area. We had been told he was one of the most efficient and able generals in the northwest. Our conversations with him and what we saw of his headquarters verified this estimate. The Russian adviser who was present told us that he had never in his twenty years military experience found such good relations between the common soldiers and their superior officer. He said General Chen had something of Napoleon's influence with his troops and treated them like members of his family.

We asked General Chen about Japan's economic policy in Shansi - whether it had any chance of success. He said the communications were so difficult in the province that the farmers' goods could not easily get to the occupied cities.

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The guerrillas also prevented the farmers from selling directly to the Japanese. The farmers, consequently, sent their products the other way. The Japanese control the railroad but cannot use it commercially to any great extent, for it is continually being cut. We ourselves saw the rails being brought into headquarters by Chinese farmers from the forty-li stretch that had just been removed. The farmers were paid five dollars per rail for carrying them. The steel in the upper part of the rails is used for making Chinese war materials. The railroad is not only constantly disturbed and cut, but insulated along the sides by the guerrilla control of the hills. The Japanese are attempting to extend the use of the puppet money, the Federal Reserve notes. They exchange these for Chinese National currency whenever they can get it, for the Federal Reserve notes are useless for buying foreign exchange. Periodically the Japanese announce that after a certain date no Chinese currency can be used. Everyone, however, knows that it is bluff, for the Japanese desperately need more of the Chinese National currency. The people realize this and hide their Chinese bank notes. Even the death penalty applied for having national currency is useless, for they cannot search every hiding place. The Central Government is now sending national currency to the Provincial Banks, urging them to issue provincial notes near the fighting areas. That is true not only in Shansi but in Shantung and other of the occupied provinces. These provincial notes are backed by the national currency and recognized by the people; if seized by the Japanese, however, they are quite useless for buying foreign exchange. Wherever the Chinese must have Japanese products a barter system has come into play, for the Federal Reserve notes and the provincial notes are mutually useless to the two groups involved. General Chen felt confident that Japan as an industrialized nation could not stand the strain long. China as an agricultural nation could. As long as food is plentiful and China can make

small

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small fire-arms, she can keep on fighting with the present methods. Every month weakens the Japanese, but the Chinese can carry on as is for years. At the moment Japan has to spend - \$25,000,000 a day for her troops in China, even when they are not fighting. The Japanese are provisioned from Japan, and even the fodder for the Japanese horses is brought over. The Japanese horses have different food habits from those of the Chinese and quickly die if fed with local Chinese grass and cared for as a Chinese horse would be. We ourselves rode around one day on two captured Japanese horses. They are beautiful specimens but not nearly as practical for that country as the short, hardy Mongolian ponies used by the Chinese.

The Russian adviser with General Chen was most interesting. He had been sent over at the specific request of the Central Government of China, and had been given instructions by Stalin to do no political work whatsoever - to give military advice, and that alone. He was instructed to return to Russia the day after the war was over. China must be recognized as master in China and must decide her own future. The adviser agreed with General Chen that in a war of long duration an agricultural country could protect itself against an industrialized country. Food in China, even at the front now, after two years of war, is no problem.

The adviser felt there were three requirements for the conquering of a country: first, the enemy troops must be scattered and the government overthrown. Second, the will of the people must be either broken or won over. Third, the land must be largely occupied. Japan has not yet succeeded in any one of these three. She has certainly not destroyed the Chinese Army. In no case so far has a large section of the Chinese army been surrounded and captured or wiped out. Rather, by driving the Chinese armies back, Japan has

consolidated

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consolidated them, and the Chinese army is now much stronger and better trained and united than at the beginning of the war. There are also many more men under arms. The Government is intact and no responsible Government officials have been taken or killed. Second, the will of the Chinese people is stronger than ever. The important Chinese are in free China. No one of ability or reputation is accepting a place with the puppet governments. Third, Japan has not occupied the land but only certain communication lines. The country between is definitely in Chinese hands. On no account is Japan winning this war, though to Western eyes Japan may seem to be encountering little difficulty. Military history is full of cases where a war has been apparently won only to end in defeat. Napoleon nearly reached Moscow only to be forced into a disastrous retreat. In the Russian Revolution the white armies almost seized Moscow after a series of successes only to be defeated. So with Japan. Japan at the beginning of her campaign was a first-rate military power. She is now definitely a second-rate power and in another year will be a third-rate one. She cannot afford to waste all of her men and resources here as long as the Far Eastern Soviet army remains in Siberia. The critical moment in the present war was after the capture of Canton and Hankow when China might have been in a mood to ask for peace. However, the Generalissimo refused. Now Japan is suggesting peace on the radio nearly every day. There are some who believe that Japan will succeed in making her army self-supporting in China. That seemed impossible to the Russian adviser. The main sources of large income are the import-export Customs duties, the salt tax, and the miscellaneous tax. Salt is produced along the coast but with transport into the interior difficult not much income is produced from that source. The same difficulty with communications has cut the export duties and the miscellaneous tax.

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tax. Obviously, Chinese minerals, cotton, rice, and so on are not the source of income that Japan expected they would be, for the Japanese army still imports from Japan most of its supplies. The iron and coal and cotton she gets in China are insufficient to meet her own army needs. Consequently she cannot sell them abroad to get credit and foreign exchange. Rather she is desperately buying abroad. Not only can she not afford to sell these products abroad, in many cases she cannot get them to the points in China where she needs them, because communications are so disrupted.

We asked the adviser what he thought of the possibility of revolt in Japan. He claimed it was impossible to conceive of revolt in Japan as long as her army and ablest men were all at home. However, sooner or later Japan's best manpower will be drawn away from home. If the war drags on, and no conclusion end is in sight, the troops will get dissatisfied and the people at home will rise. In Russia there was no opportunity for the Revolution as long as the Czar had his crack troops in his capital, but when sent to the front there finally came the chance at home. So with Japan. Her best policy would be to withdraw to North China at once and consolidate there but she cannot without losing face. China is now ready for the second phase of the war - the second period of resistance. For the Japanese to move forward now means no great gain, to hold means costly maintenance of communications against constant attack. Japan has already lost some 700,000 men and thousands of trained Chinese troops are now in the rear of the Japanese. Any movement forward of the Japanese troops would involve not only sacrifice in front but genuine danger in the rear. China's air force is also getting stronger daily and has proved in recent engagements that it can bring down Japanese places.

While

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While at General Chen's Headquarters, a newly captured Japanese prisoner was brought in along with great quantities of captured military supplies. A special exhibit was held of the captured machine-guns, mountain guns, rifles, helmets, Japanese flags, boxes of ammunition, gas masks, etc. In the Japanese uniforms there were sewed little inscriptions. These were apparently for protection of life. We were interested in watching the prisoner. We lived for two days in the same courtyard with him. The first day he was glum and bitter and looked as though he might commit harakiri any minute, if he could get his hands on a knife. The Chinese fed him well, however, and at no time was he bound or chained or in any way restricted in his room or in the courtyard. It was marvellous watching the change this treatment caused in his face. By the second afternoon he was out in the courtyard showing jiu-jitsu tricks to the Chinese troops and attempting to catch a few Chinese words. On the third day he made a public address to the Chinese garrison. We talked with him through an interpreter. He said he was a farmer with a primary school education. He claimed he definitely wanted to stay in China from now on, for if allowed to return he would either be imprisoned by the Japanese military authorities or executed. He said he would be willing to fight against the Japanese troops if they attacked. The military government forced this war on the Japanese people, and the common people and farmers were already tired of it. The morale of the Japanese troops in his section was very low at the moment. They wanted to return home. Money in Japan was very difficult to get, and he believed that supplies for the Japanese army were scarce, but of that he was not certain. He said the situation in Korea was much more tense than in Japan. Korea is being taxed heavily for the war, and now her man-power is being levied.

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The Chinese officer said that other Japanese prisoners taken recently had reported the same facts. It was a definite policy both in that area and in the Eighth Route Army sections further north to treat prisoners very well and make use of them as language teachers and for propaganda purposes. The Eighth Route Army gives training in a few simple Japanese phrases to its troops at the front. This policy proved to be of some worth recently when a small section of retreating Japanese troops turned in response to the Japanese spoken by the Chinese following them and handed themselves over.

From General Chen's headquarters we went to visit the People's Revolutionary University. We talked to the students and had lunch with the staff members. There are some 2,000 students in training there at more than one center. They are given a short course of a few months' special training for work in the army and among the people. They would particularly appreciate books from America on sociology, economics, politics, international affairs, history, geography, or special sciences. They also need scientific equipment for laboratory use. The students plied us with some interesting questions, for example:

"How many types of different interpretation prevail in America with regard to the neutrality legislation? What are the reasons given for each interpretation? How do the political parties divide with regard to these?

"What interpretation do world Christians make of the present Sino-Japanese war? What is the Far Eastern policy of your country? What is the economic loss of your country in the present Sino-Japanese conflict?"

I talked later with the head of the department of education of Shansi province. He stated that before the war in the province there was one university (the Shansi University), two

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special schools (the engineering college and the agricultural college), and more than 70 middle schools, vocational schools and teacher training centers. (In China three years of lower middle school and three years of higher middle school correspond roughly to junior high school and senior high school in America). At the beginning of the war their first concern was to evacuate the schools and move the students out of danger. In January, 1938, when Marshal Yen adopted guerrilla tactics, they decided to reverse their educational policy and move educational institutions of an emergency nature back toward the front. Both the hsien governments and schools are now mobile. The primary schools have not been greatly affected by the war. Formerly there were over 20,000 primary schools and 400 higher primary schools. Now, though it is difficult to estimate, there probably exist slightly under 20,000 primary schools and about 300 higher primary schools. The older students at first went to Sian in Shensi where the People's Revolutionary Youth Training School was organized. A three months' course was offered with a college department, upper and lower middle school, and a children's group (resembling the ordinary grade of higher primary). The whole emphasis was on war resistance. In January, 1938, there were 5,000 of these older students. Later the number was reduced to about 3,000. At present the course for college grade (middle school graduates) is three months; for upper middle school, four months; for lower middle school, six months. In Shensi they also had the Shansi Provincial Middle School with 1200 students and 150 teachers; and the Middle and Primary Teachers' Service Corps with 400 teachers and officers for special educational and wartime service. Many students were introduced to other schools in Shensi province. At the moment, four middle schools are being created, two on each side of the Japanese-controlled railway.

More

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More will be started later if these are successful. Vocational schools are being started for lower middle and higher primary school students. They are trained to make candles, soap, paper, mimeographing materials, etc. The students do part-time work and part-time study. Above the primary grades everything is emergency wartime education. The primary school curriculum is the regular one plus a certain amount of war-time study.

In the summer of 1938 a People's Revolutionary Middle School was organized in each Chu district (Shansi contains nine Chu). Each one of these emergency middle schools took, in theory, 300 students (100 higher middle, 200 lower middle), with variation in practice. The graduates from these nine plus the one connected with the People's Revolutionary University became the students of the University. After their training in these ten emergency middle schools and the University they are sent out to do various types of organizing and service work among the people and the army. The state of the people's mass education in the province is better than before the war. The people are organized and taught to read and understand the present situation, and to be prepared to resist Japan. The plan is to reach all the people in the province. Materials are mimeographed by each county government. Formerly there were seven different newspapers in the province of Shansi. Now every hsien and every chu has a newspaper - over 400 of these - all used for resistance purposes. Many are mimeographed or lithographed. The province hopes to run a regular university in the future but now, for financial reasons and limitations of laboratory and library facilities, it is impossible. Where school buildings have been ruined, as in many of the cities, they carry on education in the open, in caves or in buildings not always particularly suited for educational purposes. All of the schools are supported by

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the province. The schools provide food, clothing, room, books, etc. The students give nothing - many of them, of course, being refugees. There are more than twenty army training schools for officers and political workers in the army. The commissioner of Education said they would greatly appreciate magazines from America, even old copies, especially of Current History, Nation, Time, and such, also books on international relations, sociology, modern history, economic problems, engineering, politics, public health, military science and economics, electrical engineering, industrial chemistry (dyeing battery making; gas mask, leather, and paper making; textiles; and pharmacy). The schools need hospitals, doctors and nurses, and medicine is very difficult to get at the moment.

Of the 105 hsien in Shansi the Chinese Government has 105 hsien magistrates actually functioning. They are called "mobile magistrates", and move their offices about with them. I do not have the figures for the number of puppet magistrates that are attempting to function in the province, but I understand it is a fact that in Shantung Province, in one city not far from Tsinanfu, there are 40 puppet hsien magistrates who left Tsinan after appointment but are unable to get to their actual hsien cities, because of guerrilla activities.

Besides the People's Revolutionary University we visited the Ch'uan Chih Medical School (supported directly by Marshal Yen Hsi-shan), and the Sui Ying Military School. This Medical School formerly had 290 students and considerable property and equipment in Taiyuan. In March, 1938, it was forced to hurriedly pack up and move on account of Japanese attack. Practically all the equipment was lost. Out of thirty cart-loads only one got safely across the river. They had previously bought \$5,000 worth of English reference books, and these were lost. Of eighty microscopes they saved only one. They

now

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now have 120 students and are carrying on in the caves of the Shensi hills. The students give two hours of manual labor a day aside from their studies. In this work period they have dug additional caves and one open-air lecture theater. The seats, platform, and speaker's table are the hard clay from which the rest of the theater was cut away. We were all impressed by the spirit of the students. For operative surgery they have one or two cases of foreign instruments but do not use them, feeling that the students will become accustomed to their use and be unable to operate at the front where such instruments can not be procured. They are therefore using locally made razors, scissors, and other crude but effective instruments. Their library is a single-roomed cave and is not at all adequate. The school would like very much to get new or second-hand medical books, especially on preventive medicine, operative surgery, public hygiene or army medicine. Medical journals in Chinese, hypodermic needles and microscopes are also much needed. The staff seemed to be very able, largely trained in Japan.

At the Sui Ying Military School we found about 2,000 students in two sections, living in brand new cave cities. The students lead a very strenuous life, rising at dawn, washing in the valley stream, and spending the day in field practice, lectures, and disciplined study. One section of the school specializes in military training, the other in political training. There are special club rooms for the students, built in the hillside, and a large open-air auditorium here the students sit on small logs laid on the ground. We got up at 4:20 one morning and rode over on horse back to this meeting-place where we spoke to the students. Here again they are carrying on without equipment but with excellent spirit and morale. A number of the students were sick at the time of our visit, chiefly with dysentery, typhoid, and influenza. The school

would

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would greatly appreciate more medical supplies.

We finally reached the motor-road again and left our horses. We had been on horseback steadily for about ten days. My horse, one day, laid down and rolled over in the middle of a river we were fording. I rode barefoot in wet trousers with my socks around my neck for a half day. On the return trip Dr. Brown's horse fell off sideways from a bridge and the two of them hit the water, but succeeded in getting untangled without more than bumps and bruises. One day it rained when we were crossing a mountain and the loess paths became impossibly slippery. The four legs of my beast would start out in all directions and with a look of pained surprised he would settle down on his belly. We tried walking but found two legs scarcely as good as four. We finally caught up with some donkeys and found that they had a marvelous system going down the mountainside. The rider stayed on top, the donkey stiffened his front legs and slid, the driver held the rear of the animal up by his tail and the back legs walked and slid alternately.

At Yen'an we were welcomed by members of the Social Bureau. They gave us individual rooms in the Northwest Hotel. We protested when told that we were to be in a hotel, and asked that we might stay in caves like the rest of the population. We soon discovered that the hotel was merely a series of caves. My cave was about nine feet deep, nine feet high in the center, and eight feet wide. It was vaulted like a Norman arch. Some are more Gothic. It contained a solid clay K'ang, no spring or mattress of course (excellent for reducing the hips!), a table, and a chair, and was very clean and comfortable. At the front was a door and a window. Most of the caves have no wooden framework inside but depend on the original hardness of the loess clay for safety. They are usually plastered to some extent inside with clay and straw, although

- 23 -

although some are whitewashed, and a few have a kind of lime plaster. They are very cool in summer and warm in winter, and cannot be seen from the air.

Yennan, the city, has been bombed practically out of existence. The 20,000 or so inhabitants and the thousands of students and officials are in the caves on both sides of the valleys radiating from the city. The first day in Yenan we visited hospitals, going some distance up the road in the direction of Suiteh. One of these hospitals is popularly known as the model hospital. The doctors were very apologetic about the name, but we felt it was aptly given. The sanitary arrangements were excellent, and everything was clean and neatly arranged. Toilets at the hospital were about thirty feet deep so flies could be no menace. We were told that every family toilet in this city had been visited by the National Epidemic Prevention Bureau (supported by the League of Nations) and they were all sufficiently deep for hygienic safety. We found that three Indian doctors were living at the hospital and helping with the surgical work, a fourth lived in the city. An American doctor was also helping in the city, and at the front Dr. Bethune of Canada was at work with his mobile unit. The Model Hospital had some new wards just being opened. One of them was built high on the hillside and consisted of nineteen immaculate new caves in a row with a level platform in front of sunning patients. They said if bombs hit in front of the caves, the concussion would damage only the one or two caves immediately adjacent and possibly only the front of them. The Red Cross has some units at work in Yenan, and the local Public Health Bureau is very active. Every man in the Eighth Route Army, all the officials and students and a large proportion of the civilian population have been inoculated already for cholera and typhoid, and have been vaccinated for smallpox. They had, at the time of our visit,

no

- 24 -

no infectious diseases to worry them. (At a school in another district we had found from 10 to 30 % of the student body suffering from infectious diseases). We were very courteously entertained at dinner by the highest military commander in the Yen-an area, and the local head of the civil government. They claimed there was no discrimination now in the twenty counties making up the Border Area (under the control of the Eighth Route Army) as to religious belief or political ideology. The one thing required was a will to resistance against Japan. The communist Party membership is definitely in the minority. There are many more people connected with the Eighth Route Army activities than there are Communist Party members in the whole of China. Everyone officially connected with the government, the army, or the schools, receives his food, clothing, and normal living expenses. In addition, non-Party members may get as much as \$25 per month, especially if they are experts from outside. The Party members receive only \$ 4 per month. Mao Tse-tung, as chairman of the Party, gets \$ 12.

The people are not asked to pay any taxes to the Government at present. We enquired how, without taxes, the Government could support so many activities and provide such a large proportion of the community with living expenses. They said there were two or three main sources of income. Some of the Government officials receive rather large grants or salaries from the Central Government. Mao Tse-tung, I believe, receives \$ 12,000 a year. Of this he keeps twelve dollars a month and turns over the remainder to the Border Government. Others do likewise. Some farmers in the community are also voluntarily turning over portions of their grain crop to the Government (Their last crop was a very good one). The Government is opening up large tracts of new land. K'ang Jih Ta Hsüeh ("Resist Japan University") is itself responsible
for

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

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for 20,000 mow of land. In the Border Area there are supplies of kerosene, coal, lye, and other natural products which bring in considerable revenue.

The Resist Japan University was started in 1936. It was then called the Red Army College. In 1937 the name was changed to its present one. At first there were 200 students. There are now close to 20,000 in all its branches, not all in Yen-an. Its graduates number about 10,000. One half of the students are over eighteen. A part are under fifteen, and some are forty years of age. But the majority are of the normal college age. There are Moslems, Christians, Overseas Chinese, Koreans, and many other varieties of students. No distinction is made as to religion or political creed. The only requisites are good health and a willingness to resist Japan. After graduation each can decide the location of his work and the nature of it. If his decision is satisfactory, then he is officially sent. For the first two months all students take the same work. The emphasis is on political training, military training, understanding the present situation, the history and meaning of the Party, etc. After the first two months the students are divided into corps. There are five large student corps, and each one has sub-divisions. Each student may then specialize in political or military affairs. But he must also take some of the other material. The political training includes civics, political science, history of the Revolution and of the United Front, the three People's Principles, social science, and political economy. Each student corps has a person elected by the students to report to the professors any criticism they may have of their work. The lectures are followed by discussions in smaller groups. The professors join these on an equality with the other members of the group. These

discussion

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discussions also provide time for the sharing of personal criticism. They are not seeking in this school to develop specialists or leaders but people who are trained to sacrifice, suffer, live simply and serve effectively at the front. Two of the branch schools are already placed behind the Japanese lines. There are three branches this side of the line. The students, men and women, give two hours a day to farm work or other manual labor. It was vacation when we were there, and many were giving eight hours a day. The students and professors have built their own caves. There are now 300 girls in the University. They take a short-term emergency course. (No four-year courses are offered for men or women. Everything is on a special war-time basis). They are now in the process of building a special women's college and are preparing to take 2,000 girls. The school is in great need of books. English text books can be used or those in other languages, especially works on medicine, military science, physical education and current history. Magazines are also wanted.

At the Lu Hsün Art School there are 120 students and they are preparing for 300. They have a general course, and special courses in literature, art, music, and drama. A six months' course is given, and everything is directed toward war activities. Each student receives a dollar and fifty cents a month plus his maintenance. Some of the non-Party professors get \$12 a month, and workers two or three dollars. The drama course is producing war plays for use in popular education. The music students and professors are busy writing war songs. One afternoon we dropped in for the practice of a new operatta called "The Yellow River". In an unusually large cave the composer was directing an orchestra and chorus of students. The orchestra was a most original creation. I could not see

all

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all the instruments but I made out one foreign violin, a mandolin, two Chinese hu ch'in, and a bass cello with a really beautiful liquid tone (made from a Standard Oil gasoline tin, a long piece of what looked like mahogany, a backboard of unfinished pine, and regular cello strings)!! Others equally remarkable were in use but I did not have time to examine them. The whole thing made what sounded to my ears like effective music. They told me the school would very much appreciate getting some foreign instruments, such as clarinets, cornets, and cellos. They also want Western records, especially of opera and classical music. The art course is having difficulty in getting sufficient colors. Magazines and books in any language would be appreciated. I looked through the library and was impressed by the number of languages represented, including quite a number of volumes in Esperanto. One cave was devoted to modelling with the local clay. The whole community at Yen-an impressed us as having an unusual number of returned students and others with special abilities. The frescoes and street posters in the city, for instance, were well done from the artistic point of view.

Cooperative societies abound. The Government runs an official cooperative which keeps price levels in the city rather low. Sunlight soap, for instance, was selling for 50 cents a double bar, while in Sian it was \$ 1.20. Most of the products priced were equally cheap. The money given as change in the shops is all local Yen-an money.

There are still some points of confusion between the Shensi Provincial Government and the Eighth Route Army authorities. The Yen-an citizens claim their mail is tampered with. Dual magistrates are still appointed to certain locations in the area that is supposedly turned over entirely to the Eighth Route Army. To avoid this confusion, the army authorities are anxious to have the Border Area given provincial

status

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status like that of Sikang. Relations are apparently very good with the Central Government in Chungking since the departure of Wang Ching-wei. There are no Soviet advisers directly assigned to the Eighth Route territory, nor does the Government there receive any help from the Soviet Union. The territory is definitely Chinese. Everywhere on wall posters the Generalissimo's face and name appears prominently. The Eighth Route people say their United Front is not an opportunist policy but one that they hope can be maintained permanently. They are quite willing to cooperate with the Kuomintang and are officially teaching the San Min Chu I, but they want their own party given a status in whatever ultimate democratic form of government China finally achieves. Inscriptions everywhere in the vicinity of Yen-an urge cooperation between Communists and the Kuomintang. One high official told us that Spain had taught them a very important lesson - they consider the defeat of Republican Spain in part due to the unwillingness of the Left Wing groups to effectively cooperate in a United Front. He said they definitely would see that such a situation did not arise in China. We found no evidence of any under-cover criticism of the nation's present political leadership. They are quite frank in saying, however, that a United Front does not mean the wiping out of all political distinctions and the melting of all thought into a uniform and happy mass.

I talked later with a banker in Sian, definitely not a Communist. He felt the Kuomintang would do well to take seriously and at face value the present mood of the Eighth Route Group. After the war a democratic system should be worked out, allowing minority parties to function freely alongside the Kuomintang. This undoubtedly would involve difficulties, particularly with as vigorous a party as the Communist. But the difficulties of this procedure are as nothing

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nothing compared to the genuine dangers of the alternative. An attempt after the war to root out all minority parties would result in a return of China's civil strife, a weakening of efforts at reconstruction, and the general decay of the Kuomintang. To avoid corruption the majority party needs the presence of an intelligent loyal opposition. To create or preserve such an opposition the Kuomintang must make clear distinction between the party and the nation. There is a great difference between disloyalty to the nation or the duly constituted government, and the holding of divergent political opinions, together with efforts to change the officials or the political points of view represented in the government. This banker felt that the Kuomintang should deal openly with the Communists in a statesmanlike way while they are in an open receptive mood and while there is no question of their thoroughly Chinese spirit and national loyalty. If this is not done, some accident of history or overt action on the part of officials may create again the bitterness which makes discussion and permanent understanding impossible.

As to the place of religion in Yen-an it was rather difficult in the short time we were there to fully grasp the situation. The Roman Catholic cathedral near the city was being used temporarily for an industrial exhibition, a very good one by the way, with a remarkable number of products made of local materials. The English Baptist Church in the city had been bombed by the Japanese. A Christian in the Public Health Bureau told me that the Baptists were still meeting in private homes and having family worship. We were told that considerable numbers of Christians were in the educational institutions and especially in the medical service. One man said that these Christians with wide training were anxious to have some common worship as a group. We had no way of estimating numbers but we met quite a few people who announced they

were

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were Christians and had come from such and such a Christian middle school or college.

As to the war, the Eighth Route Army is expecting a very long period of fighting. They see no quick victory in sight but are quite confident that ultimately Japan will break either here or at home, under the strain. They believe that a Chinese victory without some internal change in Japan will be inadequate. Every activity in the Yen-an area is directed toward a long-time resistance.

Even in the matter of the relation of the sexes the urgent demands of the war are used as a deterrent to too great freedom. Everyone is asked to sacrifice his personal interests and inclinations to the common effort. They claim that the outside criticism of Yen-an as involving too much sex freedom is unjustified by the facts. Recently a Party member developed a free love affair and shot the girl, when she transferred her affection. The Party immediately executed the member and took the matter as a reflection on their devotion to the Cause. The whole realm of sex relations is viewed seriously. With emphasis on common sacrifice toward the winning of the war and on group activity of effort, there is not much opportunity for individuals to have idle time or couples to wander about by themselves. The girls seemed a very normal healthy lot, and the building of the new women's college will give them a separate location. Where men and women students were working together on the land, there seemed to be an unaffected and natural relation of the sexes as comrades in one work. They claim there are no prostitutes in Yen-an for, with the common economic sharing and the low standard of living, there is no inducement for such to come. For marriage, registration and public announcement are required, and divorce granted only when agreed to by both parties. We found many individuals who were married but apparently without

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a home in Yen-an. In most cases the husband had gone to the front and the wife remained in the rear, or vice versa. It was not considered normal, but was one of the sacrifices involved in the struggle for freedom. (We can only give the above first impression, as we made no special study of this matter).

One thing that impressed us in the situation was the expected but obvious absence of any class distinctions. The car we came in had a chauffeur and mechanic. At our first meal the hosts enquired where the other member of our party was. At first puzzled, we realized that they referred to the chauffeur. We explained that he was watching the car. They at once insisted that he come in and eat with us. The evening that two high officials have us a special banquet they also saved a place for the chauffeur and insisted that he be present. Everyone was addressed as T'ung Chih (Comrade). All of this I like very much. As a matter of fact, throughout much of the trip the chauffeur had eaten with us and we had not thought of him as being in any sense different, but it was good to find a community in which the removal of distinctions was so consciously sought.

We have no desire to put things in too perfect a light. We have reservations and criticisms. But there is no question that in the Eighth Route Army territory there is unusual creative ability, an intelligent and common mind, an honest willingness to sacrifice personal interest for the common good, and some very practical military planning.

We returned from the Northwest feeling that Japan would be unable to break through the area and extremely unwise to attempt it. It looks like a fight to the finish, and the Chinese there are not contemplating ease or comfort for years to come. I am a pacifist and still am of the opinion that war is both impractical and un-Christian. But if a nation decides

to

- 32 -

to defend himself and to fight, I believe she should sacrifice everything to that end, and not try to win a war and maintain the comforts of peace-time living at the same time. There are many things in the Northwest that should send a Christian to his knees. Believing in the same common sacrifice, simple living, devotion to common good rather than personal interest, we are often unable in our institutions to produce these things in fact.

If China deserve to win this war, it is because of the spirit which can be found everywhere in Free China, but received such clear and dramatic demonstration in the NORTHWEST.

Andrew T. Roy

Chengtu, Szechuan

June 1939.

(Correct copy: MCL)

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

EDA

TELEGRAM RECEIVED

CHUNGKING VIA N.R.

FROM Dated July 7, 1939

Received 2:04 p.m.

Secretary of State

Washington

429, July 7, noon.

Division of
FAR EASTERN AFFAIRS
JUL 7 - 1939
Department of State

COPIES SENT TO
ONE AND M.I.D.

Telegram to Tokyo & Shanghai

793.94

Another air raid was conducted by Japanese planes on Chungking this morning commencing about 12:40 and lasting until about 2:10 a.m. Bombs were dropped in various areas of the city though the down town business section appeared to be the main target. A number of bombs fell in the Lungmenhao district on the south bank of Yangtze. The British gunboat escaped a direct hit by the narrowest of margins while one bomb falling within one hundred fifty feet of Peck's quarters caused about thirty Chinese civilian casualties. Casualties and property damage as a result of raid appear to have been small and confined almost exclusively to civilians. The Embassy has thus far received no (repeat no) reports of injury to American life or property in consequence of raid.

Repeated to Peiping, Hankow, Shanghai. Shanghai please mail to Tokyo.

JOHNSON

RR

JUL 26 1939

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793.94/15175

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

PREPARING OFFICE
WILL INDICATE WHETHER
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TELEGRAM SENT

Department of State

Gray
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
"Gray" PARTAIR
PLAIN

Washington, NAVAL RADIO

July 7, 1939.

AMEMBASSY,

TOKYO (JAPAN) VIA SHANGHAI (CHINA). *8 PM JNR*

INFO: AMEMBASSY, PEIPING (CHINA).
AMEMBASSY, CHUNGKING (CHINA).

INFO: AMERICAN CONSUL,

SHANGHAI (CHINA).

RUSH *186*

Chungking's 425, July 6, 10 a.m., and 429, July 7,
noon.

The Department is greatly perturbed at the danger to which Ambassador Johnson and the American Embassy staff are being subjected; also by the continued bombing of American properties as exemplified in this latest instance in which the Lewis Memorial Institution Church in Chungking was damaged. Press despatches from Chungking state that today's raid caused the serious and perhaps fatal injury of Jasper Shen, said to be a Hawaiian born American citizen.

Unless you perceive objection, please call as soon as practicable on the Minister for Foreign Affairs, conveying to the Minister as under instruction an expression of this Government's deep concern for the safety of the

Enciphered by _____

Sent by operator _____ M., _____, 19 _____

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

793.94/15175

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

PREPARING OFFICE
 WILL INDICATE WHETHER
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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

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Washington,

Ambassador and his staff at Chungking and for the safety of other Americans and American property, and saying that this Government expects that the Japanese Government will without delay take such steps as may be necessary to insure the avoidance of further endangering by Japanese bombing operations of American lives and property.

In view of the possibility that the issuance of restraining orders to the Japanese air force in the field might be expedited thereby, the Consul General at Shanghai is requested to ask his Japanese colleague to take appropriate action vis-a-vis the Japanese military command.

Repeated to Peiping, Chungking and Shanghai.

Shanghai please repeat to Tokyo Chungking's telegrams under reference.

[Handwritten signature]

FE:GA:HJM/HJN

Enciphered by _____

Sent by operator _____ M., _____, 19____

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

TELEGRAM RECEIVED

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

FROM

Chungking via N. R.

Dated July 7, 1939

Rec'd 2:10 p.m.

Secretary of State,

Washington.

427, July 7, 10 a.m.

STRICTLY CONFIDENTIAL.

After having watched proceedings of Japanese
 bombers over Chungking night before last and again
 last night I am persuaded that a deliberate attempt
 is being made to bomb the British gunboat FALCON.
 At least five small bombs dropped in the vicinity of
 FALCON last night doing some damage to ship but none
 to personnel. A bomb from same salvo dropped on edge
 of land on which house used by Peck and Newton is
 located collapsing newly constructed dugout causing
 death of some twenty persons.

Repeated to Shanghai, Peiping. Shanghai airmail
 to Tokyo.

JOHNSON

PEG:WWC



793.94/15176

F/FG

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

CONFIDENTIAL

Confidential

PARAPHRASE

A strictly confidential telegram (no. 427) of July 1939, from the American Embassy at Chungking reads substantially as follows:

During the air raid on Chungking on the night of July 6 not less than five small bombs were dropped near the British gunboat Falcon. The ship was damaged to some extent but the personnel was uninjured. A newly built dugout collapsed killing twenty persons as the result of a bomb from the same salvo which struck the edge of land on which is located the house occupied by the Counselor and a clerk of the Embassy. The Ambassador is convinced, after having witnessed the actions of Japanese bombers over Chungking on the nights of July 5 and July 6, that an effort is deliberately being made to bomb the Falcon.

793.94/15176

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 FE:EGC:HJN
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7084
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

CJ

This telegram must be U.S.S. POPE
closely paraphrased before
being communicated FROM July 7, 1939
to anyone, (Navy)

Rec'd 3:50 p.m.

793.94
TO: - CINCAF

INFO: - COMSOPAT

(PASSED BY CINCAF TO OPNAV FOR INFORMATION)

0006. The anti-British pro-American attitude is now very marked. Unsuccessful attempts by HMS SCOUT last week to keep Swatow open were approved by the Commodore at Hong Kong but Admiralty does not condone. Port is still absolutely closed despite recent messages from Shanghai. British Consul today removed from SS HAITAN in the outer harbor two weeks mail in the possession (personal custody) of the postmaster general of the Crown colony and director of posts. This was termed an unfriendly act by the local naval commander. The officials of the mail received a cold reception and were not permitted ashore. They will be returned tomorrow in the destroyer INVADER. The Vice Consul stated that Japanese chartered ships will visit Swatow once weekly from the south and twice from the north and Formosa carrying mail and passengers with permits but no cargo until a wharf is constructed. Estimated resumption

of

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JUL 13 1939

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

-2- 0006, U.S.S. POPE, July 7, 3:50 p.m.

of services is as follows: telephone days, water-
weeks, electricity-months. The pier rented by
BUTTERFIELD and SWIRE from William Hunt is occupied,
no English are allowed thereon, own nationals and
property are unmolested. 2200

708
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

CROSS-REFERENCE FILE

NOTE

SUBJECT Military and naval operations in Shanghai district
during May, 1939: report on same.

793.94/15178

For the original paper from which reference is taken

See #2255
(Despatch, telegram, instruction, letter, etc.)

Dated June 5, 1939 From ~~XXXX~~ Shanghai (Gauss)

File No. 893.00 P.R. Shanghai/128

793.94
15178

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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

Japan.

Military Operations. The Japanese undertook no military operations in this district during the month. However, reports received from reliable foreign sources indicated that several thousand regular Chinese troops crossed the Chientang River well above Hangchow and vigorously attacked Japanese troops in the immediate vicinity of Hangchow. These units also cut the Shanghai-Hangchow railway three times in two weeks between Kashing and Hangchow. According to Japanese reports five thousand regular Chinese troops were operating in the Hangchow-Kashing area. Chinese guerrillas were also active in the lower Yangtze Valley area and according to Japanese reports one hundred and seventy-two engagements were fought with guerrillas within a forty kilometer radius of the cities of Shanghai, Kashing, Hangchow and Huchow between April 20 and May 20, and forty-one engagements in the vicinity of Nushu during the same period. Japanese planes bombed the cities of Ningpo, Fenchow, Shao-hsing and Kinwa, Chekiang, several times during the month. No American property was damaged but a number of Chinese civilians were killed and considerable damage done to civilian property.

Naval

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Naval Operations. During the month the Japanese took certain measures which seemed to presage a more complete blockade of the China coast. These measures involved the stopping and detention of a number of foreign vessels and the closure of several small ports in the Yangtze delta and along the coast. Japanese naval vessels established a temporary blockade of the port of Ningpo during the first two weeks in May, stopped one German and one Italian registered vessel outside of Ningpo, forced the vessels to return to Shanghai, and held them here for two weeks investigating their status. One of the vessels was transporting a considerable quantity of American wheat and medical supplies donated by American relief organizations. These supplies were eventually unloaded at Shanghai but after some delay, caused both by uncertainty whether the Japanese would permit the shipment of relief supplies to Chinese controlled territory and whether the blockade of Ningpo would be lifted, the supplies went forward to their original destination.*

The action of the Japanese Navy in stopping and boarding a British, a French and a German passenger liner just outside Hong Kong territorial waters aroused much concern locally. The statement made locally by a Japanese naval spokesman to the effect that the boarding of these vessels was not a "question of rights but what the Japanese demand" caused something of a sensation.** It was thought in some quarters that the Japanese intended to institute a rigorous blockade of the China coast and

to

* Telegram no. 383, May 13, 3 p.m.

** Telegram no. 436, May 27, 5 p.m.

7090

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

-10-

to search all foreign vessels. However, statements subsequently made by the same spokesman were more moderate in tone and indicated that while the Japanese reserved the right to search "suspicious" vessels, no matter what their size or registry, it was not likely that well known foreign passenger liners would again be stopped.

On May 29 the Japanese naval spokesman announced the closing to all shipping of four small ports in Kiangsu, namely: Haimen, Chitung, Mingyangkiang and Fowning; Haimen in Chekiang and Hsiuyu, Hankong, Tsinkang (Chuanchow) and Futien (Hsinghwa) in Fukien. It was stated that this measure had been taken to prevent supplies reaching the Chinese guerrillas but was not a "blockade." It was also announced that effective June First the Shanghai Customs would not issue clearance papers for vessels desiring to proceed to these ports. As the month closed it was not clear whether the Customs would in fact comply with the instructions issued by the Japanese naval authorities concerning the issuance of clearance papers or just how the action of the Japanese authorities would affect foreign shipping.*

Activities of Wang Ching-wei. There were persistent rumors during the month that Wang Ching-wei was in Shanghai. However, although his wife and children have been here for some time living in the French Concession, the Settlement and Concession police authorities were of the opinion that Wang himself was not here. To what extent Wang Ching-wei has been working with the Japanese it is difficult

*Telegram no. 451, June 1, 6 p.m.

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

-11-

difficult to say. However, it is known that several of his followers are in Shanghai and have been endeavoring, without much success, to acquire one or two Chinese newspapers and periodicals with a view to influencing the Chinese residents of the Settlement and French Concession.*

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Prohibited zone in the waters around Point Island in the
Whangpoo River, established by Japanese military authorities.

American government's position set forth in enclosed copies of
exchange of communications with Japanese Consulate.

For the original paper from which reference is taken

See #2259
(Despatch, telegram, instruction, letter, etc.)

Dated June 9, 1939 From Shanghai (Gauss)
To

File No. 893.811/1121

793.94/ 15179

15179

TELEGRAM RECEIVED

GRAY

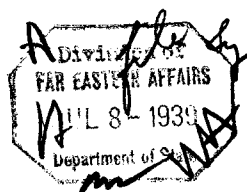
FROM SHANGHAI via N.R.

Dated July 8, 1939

Rec'd. 8:45 a.m.

Secretary of State,
Washington.

571, July 8, 11 a.m.



COPIES SENT TO
ONE AND TWO

8/2

Yesterday the second anniversary of the outbreak of the Sino-Japanese hostilities passed here without incident. The authorities of the International Settlement and French concession took extraordinary precautions in conjunction with the foreign defense forces. Police reserves were mobilized, many streets and alleyways were barricaded and a large number of raids and searches were carried out. The Japanese enforced similar measures north of Soochow and in the Shanghai area. Although large scale guerrilla attacks were anticipated in the immediate vicinity of Shanghai none has been reported.

Repeated to Chungking and Peiping, air mail to Tokyo.

GAUSS

RR

793.94/15180

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

HR

GRAY

FROM
Shanghai Via N.R.

Dated July 8, 1939

Rec'd 8:45 a.m.

Secretary of State,
Washington,

576, July 8, 4 p.m.

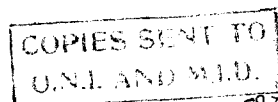
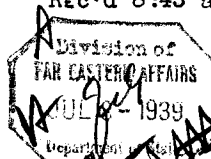
Reference Department's 186, July 7, 8pm, for Tokyo.

I have taken action as requested in last paragraph of this message. At the same time I have informed Japanese Consul General that according to information from the Commander of the Yangtze Patrol five bombs struck within two hundred yards of the USS TUTTLE at Chungking during the recent air raids there. Commander Yangtze Patrol has made representations to senior Japanese naval officer here but I have deemed it appropriate to add this information in my representations to the Japanese Consul General and the Embassy at Tokyo may wish to do likewise.

Repeated to Tokyo, Chungking and Peiping.

GAUSS

RR



793.94/15181

F/FG

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

TELEGRAM RECEIVED

HR

GRAY

FROM Shanghai Via N. R.

Dated July 8, 1939

Rec'd 8:45 a.m.

Secretary of State
Washington

July 8, 11 a.m.

Your 429, July 7 noon. 15175

I have again addressed Japanese Consul General
pointing out that Embassy was endangered by bombs
which hit near Peck's quarters.

A United Press despatch from Chungking dated July 7
published here contains following statement.

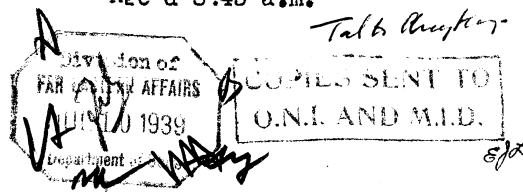
"One bomb hit the old American navy canteen on
whose roof there is a painted American flag. The canteen
however is no longer used by the navy and is a vacant
building which has been turned over to the Chinese."

The report also states that Joseph Shen, Hawaiian
born American citizen and chief pilot of the China
National Aviation Corporation was seriously wounded and
little hope was held for his life.

Sent to Chungking; repeated to Peiping and Hankow.
By air mail to Embassy at Tokyo.

GAUSS

HPD



793.94/15182

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F/FG

JUL 17 1939

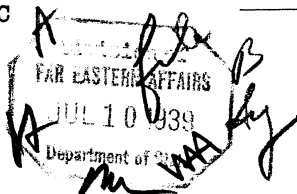
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

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GRAY



FROM

Foochow via N.R.

Dated July 7, 1939

Rec'd 7:35 p.m., July 8

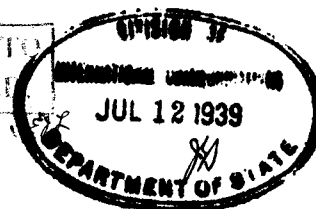
Secretary of State

Washington

July 7, 9 p.m.

My July 6, 4 p.m.

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



The Chinese authorities have begun the construction of a second river barrier at a point between Pagoda and the Min River pass, a general levy to secure stones for its construction being now transpiring in Foochow. With its completion the Min River will be blocked in three places between Nantai and the sea.

Nine Japanese planes bombed Kienchang once yesterday before noon, and the Changmen forts were twice bombed. The air alarm sounded five times yesterday in Foochow, and planes flew to and fro over the city, but did not bomb it. This morning seven or eight planes bombed the Fukien University (a Provincial Government institution) and a Government asylum, both in Foochow, while another plane bombed the gap. The same planes are reported to have bombed Futsing later. Sent to Peiping,

repeated

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793.94/15183

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FILED

JUL 13 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

- 2 - July 7, 9 p.m. from Foochow

repeated to Chungking, Shanghai.

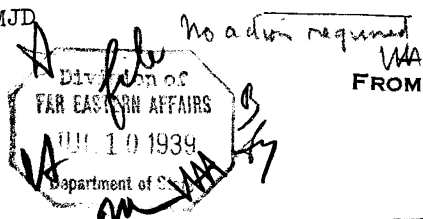
WARD

RR

472

TELEGRAM RECEIVED

MJD



PLAIN

Shanghai via N. R.

Dated July 8, 1939.

Rec'd. 9:10 a. m., 9th.

Secretary of State,
Washington.

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

8/K

574, July 8, 2 p. m.

At yesterday's press conference Vice Admiral Nomura, Japanese Naval Attache at Shanghai, reviewed at some length the origin of the present conflict which he ascribed to the attempt of the "Chiang Kai Shek regime to drive out the Japanese from the continent" and to the measures taken by Japan in "self-defense". He also dwelt upon the attitude of the Shanghai Municipal Council towards the Chinese administration establishing in the Shanghai area and in this connection is reported to have said "We find a tendency among the authorities of the International Settlement and others to insist upon ignoring the existence of this new administration, for instance, take the Chinese courts in the International Settlement. These courts are organs of the Chungking regime; they come under the orders of the Chungking regime and deal with cases in which Japanese or Japanese subjects are interested. This state of affairs is something

11

793.94/15134

FILED

JUL 13 1939

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473

MJD -2- No. 574, July 8, 2 p. m., from Shanghai via N. R.

thing which the Japanese forces can hardly tolerate. Jurisdiction of the courts should be turned over to the Japanese authorities. The settlement authorities have refused to sanction this transfer. The Japanese authorities appreciate the efforts of the Shanghai Municipal Council to stamp out terrorism in the Settlement but the courts remain as one phenomenon which to say the least is most unpleasant." Admiral Nomura made the interesting statement that the "Reformed Government" and the "Provisional Government" were extensions of the Japanese military forces in China and that this was a point they wished the authorities of the Settlement to recognize. He was reported further to have asserted that the essence of the matter was that the Japanese were seeking to obtain the cooperation of the Shanghai Municipal Council in the same manner that the Council had cooperated with the previous regime in the acceptance to the control of the Council of the area north of its policies referring to the question of the return of Soochow Creek. Admiral Nomura is reported to have stated that the two areas must be considered in balance and that unless there is an improvement in one there cannot be improvement in the other. In this connection he made the rather surprising statement that there could be no improvement so long as the conception

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

474

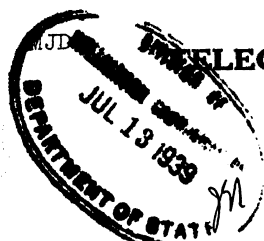
MJD -3- No. 574, July 8, 2 p. m., from Shanghai via N. R.

tion persisted that there was no war because there had been no declaration of war and pointed out that the Japanese nation had put into the field more than one million soldiers, that thousands of men had been killed and wounded, and that the effects of the conflict had been felt by the entire nation. Repeated to Chungking and Peiping, airmail to Tokyo.

GAUSS

LMS

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



TELEGRAM RECEIVED

GRAY

Foochow via N. R.

Dated July 8, 1939.

Rec'd. 7:35 p. m.

FROM

Secretary of State,
Washington.



COPIES SENT TO
ONE AND M.I.D.

July 8, 5 p. m.

793.94

A reliable informant states that a number of Japanese naval craft are now at or close to number three buoy beyond Sharp Peak, including an aircraft carrier, a cruiser, three destroyers, two transports and two trawlers. Confirming the report that the Japanese have themselves laid a barrier from the entrance buoy to Sharp Peak anchorage, blockading the mouth of the river, the same informant states that over 100 Chinese junks laden with stone have been sunk there. It is also reliably reported that the Japanese are putting ashore large quantities of stores at Sharp Peak.

HMS DIANA is today relieving HMS DUCHESS at Sharp Peak. Lieutenant Ram of the British Navy and eight British naval ratings remain in Foochow.

Sent to Peiping. Repeated Chungking, Shanghai.

WARD

RR

JUL 14 1939

FILED

F/FG

793.94/15185

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

[Handwritten signature]

TELEGRAM RECEIVED

Tokyo via Shanghai
and N. R.

This telegram must be
closely paraphrased **FROM** Dated July 9, 1939.
before being communicated
to anyone. (BR) Rec'd. 9:10 a. m.

882

317, July 9, noon. 793.94/15165

REFERENCE Department's 186, July 7, 8 p. m.,

aerial bombings of Chungking.

One. Contents of Department's telegram under reference were brought to the attention of the Foreign Office late last night.

Two. I am arranging for an **interview** with the Foreign Minister for early Monday morning, he being unavailable over the weekend, at which time I shall express the Department's deep concern over the events at Chungking including therein mention of the danger to which the USS TUTUILA was exposed as reported in Shanghai's 576, July 8, 4 p. m., which reached me after my first approach to the Foreign Office.

DOOMAN

RR

FILE

F/FG

0103

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

15652
CONFIDENTIAL

CONFIDENTIAL

P A R A P H R A S E

A telegram (no. 317) of July 9, 1939, from the American Embassy at Tokyo reads substantially as follows:

On the evening of July 8, the contents of the Department's telegram in regard to airplane raids on Chungking were brought to the attention of the Japanese Foreign Office. As the Minister for Foreign Affairs will not be available over the weekend, the American Chargé d'Affaires is arranging to see him early on the morning of July 10. At this interview the Chargé will express this Government's serious concern in regard to events at Chungking and will include mention of the peril to which the U.S.S. TUTUILA was exposed during the bombings. The Chargé did not receive information in regard to the TUTUILA until after he had approached the Foreign Office on July 8.

793.94/15186

793.94/15186

69C.
FE:EGC:HJM 7/11 *REV*
FE

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

EG

TELEGRAM RECEIVED

Tokyo

FROM Dated July 10, 1939

Rec'd 5:30 a.m.

Secretary of State,
Washington.

Division of
Far Eastern Affairs
JUL 10 1939
Department of State

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

320, July 10, 4 p.m. *Tel to Tokyo.*
Department's 186, July 7, 8 p.m. and our 317,
July 9, noon.

I called this afternoon on the Minister for Foreign Affairs and made the strongest possible representation with regard to the recent bombings at Chungking. Mr. Arita said that he was distressed to learn that Ambassador Johnson and his staff had been put in jeopardy. It was impossible for him to promise that the bombing of Chungking would cease, as attack from the air was an important and effective phase of the military operations, but he had already caused the information which we supplied to the Foreign Office on July 8 to be communicated to the Navy Department with an urgent request that some new method be devised to safeguard American lives and property. I emphasized the likely serious consequences of continued indiscriminate bombing at Chungking.

Repeated to Shanghai for relay to Chungking and Peiping.

CFW:RR

DOOMAN

793.94/15187

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0105

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

PREPARING OFFICE
WILL INDICATE WHETHER
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OR
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\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE X
PARTAIR
PLAIN

Washington 15
July 14, 1939.

AMEMBASSY,

TOKYO (JAPAN) VIA SHANGHAI. *NR*

6 PM

INFO: AMEMBASSY, CHUNGKING (CHINA).
AMEMBASSY, PEIPING (CHINA).

202 Your 320, July 10, 4 p.m.

773-9-15187

One. Unless you perceive objection, please seek an early appropriate occasion to read to the Japanese Foreign Minister the pertinent portions of Chungking's no. 438, July 13, noon, which Chungking has been instructed to repeat to you via Shanghai.

Two. In bringing to the Foreign Minister's attention the report under reference, you should allude to the Foreign Minister's statement made to you on July 10 to the effect that it was impossible for him to promise that the bombing of Chungking would cease, as attack from the air was an important and an effective phase of military operations, and you should emphasize the importance which this Government attaches to the report as a carefully considered statement of fact and opinion by a highly qualified observer. You should also inform the Foreign Minister that it is difficult for this Government to reconcile with this report the general tenor of the statements attributed to Hirasawa by the Counselor of the Japanese Embassy (reference the Department's telegram

793.94/15187

F/FG

Enciphered by

Sent by operator M., 19..... 9

D. C. R.-No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

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

PREPARING OFFICE
 WILL INDICATE WHETHER
 Collect { Full rate
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TELEGRAM SENT

TO BE TRANSMITTED
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 PARTAIR
 PLAIN

Department of State

-2-

Washington.

Charge to \$ 183, July 6, 7 p.m.))
 Repeated to Chungking and Peiping.

Hull
 P.H.

JUL 14 1939 PM

793.94/15187

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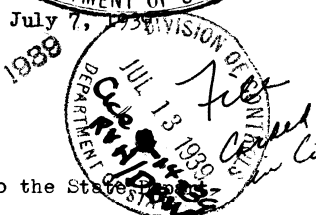
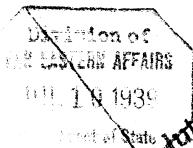
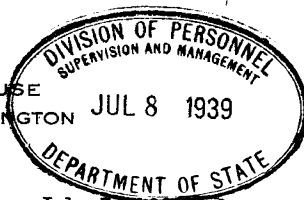
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 M.H.

Enciphered by _____

Sent by operator _____ M., _____, 19____

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

THE WHITE HOUSE
WASHINGTON



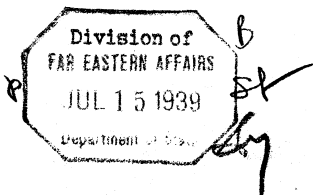
793.94

Respectfully referred to the States

ment for consideration and acknowledgment.



EDWIN M. WATSON,
Brigadier General, U. S. Army



793.94/15188

FILED
MAY 29 1941
F/FG 5188

0108

DECLASSIFIED: E.O. 11652, 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 TANAKA MEMORIAL



AN OUTLINE

Presented to the Japanese Emperor

on July 25, 1927 by

PREMIER TANAKA

For the Japanese Conquest of China
and other Nations



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



INTRODUCTION

By V. KWONGLEE KWONG

The world was startled beyond imagination on September 18, 1931, when Japanese troops attacked and invaded Mukden, capital of Manchuria. In the brief space of forty-eight hours, Japan's war machine had occupied every important town and strategic center in Manchuria. The pretext of the Japanese was the much-used but ever-ready excuse—to "protect" Japanese lives and property which were endangered, as Japan claimed, by Chinese troops blowing up a bridge on the Japanese-owned South Manchurian Railway.

If the naked truth must be told, however, this military attack was intended to be the first step in the Japanese program for the conquest of China and other Asiatic nations. Japan has harbored a burning ambition to expand into a great super-empire. Korea and Formosa comprised only the first stage. The conquest of Manchuria was the second stage. With Europe and the United States in the grip of an economic depression and China partially submerged by the greatest flood in history, the Japanese militarists saw in September, 1931, the long hoped-for "golden opportunity".

With Manchuria occupied, according to Japanese reckoning, Japan would have ample natural resources such as iron, coal, aluminum, timber and agricultural products to conquer the rest of China and Asia. Japan would be fortified also for the necessary battle with Russia and the United States as she realizes that she will not be permitted to overrun Asia without Russian and American intervention.

And these plans, systematic and far-reaching, are being worked out step by step. The developments in China from 1931 up to date bear out the Japanese program in every vital aspect. Japanese aggression is definitely on the march in China, and the goal is the complete fulfillment of her "Continental Policy" outlined in "The Tanaka Memorial".

These statements are startling. But they come from an official program submitted to the Japanese Emperor by the late Premier Tanaka himself. Tanaka was an outstanding military leader in Japan. His plans are the plans of the entire Japanese military-expansionists group which showed by its actions in September 1931 that it is the real power in Japan.

And this group is now embarked with grim determination on conquering the whole of China. The present situation is best described in the words of His Excellency Dr. V. K. Wellington Koo, First Delegate of China to the Assembly of the League of Nations, when he addressed the Assembly on September 15, 1937 as follows:

"Since two months ago my country has been once more subjected to armed aggression from Japan. The Japanese Government has despatched to China more than 300,000 troops, scores of warships, and hundreds of military aeroplanes in pursuit of political domination and territorial conquest. The Japanese army, equipped with the most

deadly instruments of war, have attacked and occupied Tientsin, Peiping, Nankow and Kalgan in the North, and are continuing to penetrate further into the interior of the country. In the South it has been attempting, with the aid of Japan's mighty fleet, to seize Shanghai, the great metropolis of the Far East. The Japanese Navy has declared an illegal blockade of the entire coast of China and the Japanese warplanes have systematically been carrying out air raids on cities and towns in thirteen provinces, some of which lie hundreds of miles inland. China, notwithstanding all her handicaps, has found herself obliged to resist this renewed armed invasion. A bitter conflict between the ruthless invaders who seek to impose their will by force and the determined defenders who wish to save their country and protect their people is raging at this very moment. Peace has been and remains gravely disturbed.

"The systematic destruction of life and property by the Japanese invaders has been appalling. I do not wish to weary you with details but let me emphasize the horrible character of the deliberate attacks by Japanese warplanes on unarmed civilians.

"The systematic burning and demolition of schools, colleges, hospitals, Red Cross units and other cultural humanitarian centres is sheer vandalism. As an illustration, let me refer to the case of Nankai University, one of the largest and best known private endowed educational institutions in North China. Japanese artillery wantonly turned its fire on the buildings of the University and Japanese airplanes dropped incendiary bombs on them. When the Japanese military authorities saw that the concrete structures had not been entirely razed to the ground, they burned them with oil and blew them up with dynamite.

"As a result of the Japanese making use of the International Settlement as the base of their military operations to attack the Chinese in Shanghai, foreign life and property have also suffered and are still suffering grievous losses. Scores of innocent foreigners have been killed or wounded. Foreign ships of commerce and war have been hit and damaged by bombs or shrapnel. Foreign plants, mills, warehouses and office buildings have been occupied by Japanese troops. Seventy thousand foreign residents have been obliged to evacuate the city. The illegal blockade of the Chinese coast proclaimed by the Japanese fleet has been interfering with foreign as well as Chinese ships entering Chinese ports for lawful trade. The menace of Japanese aggression to life and property has been so serious that even the Ambassador of a great and friendly Power travelling on business in a private automobile at a distance of 50 miles from Shanghai was bombed and machine-gunned by two Japanese warplanes.

"In a word, the situation in the Far East today is one of the gravest character. Japan in the grip of a ruthless war party has openly resorted to force as an instrument of policy and let loose its gigantic, powerful war machine to seek domination and conquest of China on the Asiatic mainland."

793.54/15188

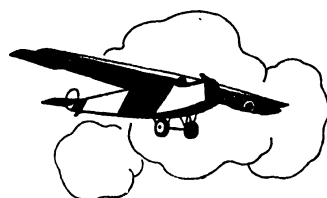
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Japan's actions have been condemned by the League of Nations and President Franklin D. Roosevelt in no uncertain terms. But to visualize the full scope of Japan's aggressive designs, read this booklet which presents Tanaka's program in detail. The whole world must know the grandiose ambitions of the Japanese. Japan's selfish ambitions must be curbed. Otherwise, war must come. And the conflict in the Far East can mean only one thing—a world-wide conflagration far more tragic and destructive than the World War in 1914. It may mean the very end of human civilization itself!

China is now doing its utmost to check this Japanese menace to world peace and stave off this inestimable catastrophe to humanity. However, the gigantic extent of the undertaking necessitates the active cooperation of all nations.

Let all workers for lasting peace and lovers of humanity read this Tanaka Memorial and take earnest thought for the future to the end that human civilization itself will not vanish from the face of this earth!

Oct. 8, 1937.



PREFACE

The world was startled beyond imagination on September 18, 1931, when Japanese troops attacked and invaded Mukden, capital of Manchuria. In the brief space of twenty-four hours, Japan's war machine had occupied every important town and strategic center in South Manchuria. The pretext of the Japanese was the much-used but ever-ready excuse—to "protect" Japanese lives and property which were endangered, as Japan claimed, by Chinese troops blowing up a bridge on the Japanese-owned South Manchurian Railway.

If the naked truth must be told, however, this military attack was intended to be the first step in the Japanese program for the conquest of China and other Asiatic nations. Fortunately, the peace efforts of the League of Nations and the United States have checked for the time being the extensive advance of Japanese forces.

However, irrespective of how this particular dispute is eventually settled, the world must not deceive itself that Japan will remain content. No! A thousand times no! Japan has harbored a burning ambition to expand into a great super-empire. Korea and Formosa comprised only the first stage.

The conquest of Manchuria is the second stage. With Europe and the United States in the grip of an economic depression and China partially submerged by the greatest flood in history, the Japanese militarists saw in September, 1931, the long hoped-for "golden opportunity."

After Manchuria is occupied, according to the Japanese reckoning, Japan will have ample natural re-

sources such as iron, coal, aluminum, timber and agricultural products to conquer the rest of China and Asia. Japan will be fortified also for the necessary battle with Russia and the United States as she realizes that she will not be permitted to overrun Asia without Russian and American intervention.

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CONQUEST OF ASIA OUTLINED IN DETAIL BY LATE PREMIER TANAKA

By V. KWONGLEE KWONG
Foreign News Editor "The Young China"

Since the occupation of South Manchuria by the Japanese army on September 18, the "Tanaka Memorial," a Japanese document outlining Japan's policy to conquer Asia, has been given wide publicity in the Chinese press. The China Critic, published in Shanghai, has issued a special number containing the 5470-word memorial in full. In the light of this document the Chinese people believe that it is Japan's fixed intention to bring Manchuria under her control as the first step in her more ambitious program to conquer all Asia.

The "Tanaka Memorial" was presented to the Emperor of Japan on July 25, 1927, by the late Premier Tanaka. It outlines "the positive policy" in Manchuria—meaning the policy of direct force. Tanaka was one of the outstanding leaders in Japan. He led the influential militant group of Japanese who dream of creating a greater Japanese empire on the mainland of Asia.

The foes this group contemplates meeting and defeating are China and Russia. Tanaka passed away recently, but his death has not left the military group any the weaker in the councils of Japan as the attack and occupation of Manchuria in September shows.

According to the memorial it is a matter of life and death for Japan to expand on continental Asia. Her annual increase in population is 700,000. Every inch of cultivatable land in Japan is already being made use of. Her own natural resources are insufficient to meet the growing demands of her ever-increasing population. She lacks iron and coal, the basic essentials for her industrial life.

For these vital needs Japan

must look abroad, and she finds in Manchuria and Mongolia the promised land of milk and honey. As Tanaka says: "The attractiveness of the land does not arise from the scarcity of population alone; its wealth of forestry, minerals and agricultural products is also unrivalled elsewhere in the world. In order to exploit these resources for the perpetuation of our national glory, we created especially the South Manchurian Railway."

Tanaka realized that Japan could not take Manchuria and Mongolia without a struggle. It is taken for granted that a war with Russia is inevitable. China also would resist Japan's aggression. As for Russia, Tanaka states: "That we should draw swords with Russia again in the fields of Mongolia in order to gain the wealth of North Manchuria seems a necessary step in our program of national aggrandisement."

What Manchuria and Mongolia mean to Japan may be realized from the estimates of the natural resources contained therein as made by Japanese investigators sent out by the Japanese-owned South Manchurian Railway.

According to the memorial, these investigators estimate the total reserve of timber is 200,000,000 tons, which will last Japan 200 years. With this supply, Japan expects to discontinue her purchase of timber from America, which runs into \$40,000,000 to \$50,000,000 a year.

The iron deposits in Manchuria and Mongolia are estimated at 1,200,000,000 tons; coal deposits, 2,500,000,000 tons. In the words of Tanaka: "With such large amounts of iron and coal at our disposal, we ought to be self-sufficient for at least seventy years. We

shall have acquired the secret for becoming the leading nation in the world. Thus strengthened, we can conquer both the East and the West."

The Fushun coal mine is expected to yield 350,000,000 tons of petroleum, estimated to be worth \$1,125,000,000. Again to quote Tanaka: "Having the iron and petroleum of Manchuria, our army and navy will become impregnable walls of defense."

Mention is then made of abundant supplies of valuable chemicals such as agricultural fertilizer, ammonia sulphate, soda, soda ash, magnesium and aluminum, which Japan will obtain from Manchuria and Mongolia. Produce such as oats, wheat, millet and kaoliang are also to be secured from these regions.

The memorial goes on to outline the preliminary steps necessary for the realization of this ambitious program. Koreans, who enjoy the legal status of Japanese subjects, and regular Japanese will be sent in first as immigrants, while means will be devised to check the annual influx of 1,000,000 Chinese immigrants into Manchuria. Railways will be constructed to reach every strategic military point and source of raw materials. In all, there will be 1159 miles of railroad constructed at an estimated cost of \$57,500,000.

Japanese financial advisers are to be installed as a preliminary step to gain control of the currency system, which is to be changed to a gold basis. Foreign capital in limited amounts will be encouraged in order to allay possible suspicion of Japan's actions. Finally there will be established a colonial department, the special function of which is to look after the expansion in Manchuria and Mongolia.

(Reprinted from the San Francisco Chronicle.)

OFFICIAL DOCUMENTS Tanaka Memorial

Memorial Presented to the Emperor of Japan on
July 25, 1927, by Premier Tanaka, Outlining
the Positive Policy in Manchuria

Since the European War, Japan's political as well as economic interests have been in an unsettled condition. This is due to the fact that we have failed to take advantage of our special privileges in Manchuria and Mongolia and fully to realize our acquired rights. But upon my appointment as premier, I was instructed to guard our interests in this region and watch for opportunities for further expansion. Such injunctions one cannot take lightly. Ever since I advocated a positive policy towards Manchuria and Mongolia as a common citizen, I have longed for its realization. So in order that we may lay plans for the colonization of the Far East and the development of our new continental empire, a special conference was held from June 27th to July 7th lasting in all eleven days. It was attended by all the civil and military officers connected with Manchuria and Mongolia, whose discussions result in the following resolutions. These we respectfully submit to Your Majesty for consideration.

General Considerations

The term Manchuria and Mongolia includes the provinces Fengtien, Kirin, Heilungkiang and Outer and Inner Mongolia. It extends an area of 74,000 square miles, having a population of 28,000,000 people. The territory is more than three times as large as our own empire not counting Korea and Formosa, but it is inhabited by only one-third as many people. The attractiveness of the land does not arise from the scarcity of population alone; its wealth of forestry, minerals and agricultural products is also unrivalled elsewhere in the world. In order to exploit these resources for the perpetuation of our national glory, we created especially the South Manchuria Railway Company. The total investment involved in our undertakings in railway, shipping, mining, forestry, steel manufacture, agriculture, and in cattle raising, as schemes pretending to be mutually beneficial to China and Japan amount to no less than Yen 440,000,000. It is veritably the largest single investment and the strongest organization of our country. Although nominally the enterprise is under the joint ownership of the government and the people, in reality the government has complete power and authority. In so far as the South Manchuria Railway is empowered to undertake diplomatic, police, and ordinary administrative functions so that it may carry out our imperialistic policies, the Company forms a peculiar organization which has exactly the same powers as the Governor-General of Korea. This fact alone is sufficient to indicate the immense interests we have in Manchuria and Mongolia. Consequently the policies towards this country of successive administrations since Meiji are all based on his injunctions, elaborating and continuously completing the development of the new continental empire in order to further the advance of our national glory and prosperity for countless generations to come.

Unfortunately, since the European War there have

been constant changes in diplomatic as well as domestic affairs. The authorities of the Three Eastern Provinces are also awakened and gradually work toward reconstruction and industrial development following our example. Their progress is astonishing. It has affected the spread of our influence in a most serious way, and has put us to so many disadvantages that the dealings with Manchuria and Mongolia of successive governments have resulted in failure. Furthermore, the restriction of the Nine Power Treaty signed at the Washington Conference have reduced our special rights and privileges in Manchuria and Mongolia to such an extent that there is no freedom left for us. The very existence of our country is endangered. Unless these obstacles are removed, our national existence will be insecure and our national strength will not develop. Moreover, the resources of wealth are congregated in North Manchuria. If we do not have the right of way here, it is obvious that we shall not be able to tap the riches of this country. Even the resources of South Manchuria which we won by the Russo-Japanese War will also be greatly restricted by the Nine Power Treaty. The result is that while our people cannot migrate into Manchuria as they please, the Chinese are flowing in as a flood. Hordes of them move into the Three Eastern Provinces every year, numbering in the neighborhood of several millions. They have jeopardized our acquired rights in Manchuria and Mongolia to such an extent that our annual surplus population of eight hundred thousand have no place to seek refuge. In view of this we have to admit our failure in trying to effect a balance between our population and food supply. If we do not devise plans to check the influx of Chinese immigrants immediately, in five years' time the number of Chinese will exceed 6,000,000. Then we shall be confronted with greater difficulties in Manchuria and Mongolia.

It will be recalled that when the Nine Power Treaty was signed which restricted our movements in Manchuria and Mongolia, public opinion was greatly aroused. The late Emperor Taisho called a conference of Yamagata and other high officers of the army and navy to find a way to counteract this new engagement. I was sent to Europe and America to ascertain secretly the attitude of the important statesmen toward it. They were all agreed that the Nine Power Treaty was initiated by the United States. The other Powers which signed it were willing to see our influence increase in Manchuria and Mongolia in order that we may protect the interests of international trade and investments. This attitude I found out personally from the political leaders of England, France and Italy. The sincerity of these expressions could be depended upon. Unfortunately just as we were ready to carry out our policy and declare void the Nine Power Treaty with the approval of those whom I met on my trip, the Seiyukai cabinet suddenly fell and our policy failed of fruition. It was indeed a great pity. After I had secretly exchanged views with the Powers regarding the development of Manchuria and Mongolia, I returned by way of Shanghai. At the wharf there a Chinese attempted to take my life. An American woman was hurt, but I escaped by the divine protection of my emperors of the past. It seems that it was by divine will that I should assist Your Majesty to open a new era in the Far East and to develop the new contin-

ental empire.

The Three Eastern Provinces are politically the imperfect spot in the Far East. For the sake of self-protection as well as the protection of others, Japan cannot remove the difficulties in Eastern Asia unless she adopts a policy of "Blood and Iron." But in carrying out this policy we have to face the United States which has been turned against us by China's policy of fighting poison with poison. In the future if we want to control China, we must first crush the United States just as in the past we had to fight in the Russo-Japanese War. But in order to conquer China we must first conquer Manchuria and Mongolia. In order to conquer the world, we must first conquer China. If we succeed in conquering China the rest of the Asiatic countries and the South Sea countries will fear us and surrender to us. Then the world will realize that Eastern Asia is ours and will not dare to violate our rights. This is the plan left to us by Emperor Meiji, the success of which is essential to our national existence.

The Nine Power Treaty is entirely an expression of the spirit of commercial rivalry. It was the intention of England and America to crush our influence in China with their power of wealth. The proposed reduction of armaments is nothing but a means to limit our military strength, making it impossible for us to conquer the vast territory of China. On the other hand, China's sources of wealth will be entirely at their disposal. It is merely a scheme by which England and America may defeat our plans. And yet the Minseito made the Nine Power Treaty the important thing and emphasized our TRADE rather than our RIGHTS in China. This is a mistaken policy—a policy of national suicide. England can afford to talk about trade relations only because she has India and Australia to supply her with foodstuffs and other materials. So can America because South America and Canada are there to supply her needs. Their spare energy could be entirely devoted to developing trade in China to enrich themselves. But in Japan her food supply and raw materials decrease in proportion to her population. If we merely hope to develop trade, we shall eventually be defeated by England and America, who possess unsurpassable capitalistic power. In the end, we shall get nothing. A more dangerous factor is the fact that the people of China might some day wake up. Even during these years of internal strife, they can still toil patiently, and try to imitate and displace our goods so as to impair the development of our trade. When we remember that the Chinese are our sole customers, we must beware lest one day when China becomes unified and her industries become prosperous, Americans and Europeans will compete with us; our trade in China will be wrecked. Minseito's proposal to uphold the Nine Power Treaty and to adopt the policy of trade towards Manchuria is nothing less than a suicide policy.

After studying the present conditions and possibilities of our country, our best policy lies in the direction of taking positive steps to secure rights and privileges in Manchuria and Mongolia. These will enable us to develop our trade. This will not only forestall China's own industrial development, but also prevent the penetration of European Powers. This is the best policy possible!

The way to gain actual rights in Manchuria and

Mongolia is to use this region as a base and under the pretence of trade and commerce penetrate the rest of China. Armed by the rights already secured we shall seize the resources all over the country. Having China's entire resources at our disposal we shall proceed to conquer India, the Archipelago Asia Minor, Central Asia, and even Europe. But to get control of Manchuria and Mongolia is the first step if the Yamato race wishes to distinguish themselves on Continental Asia. Final success belongs to the country having food supply; industrial prosperity belongs to the country having raw materials; the full growth of national strength belongs to the country having extensive territory. If we pursue a positive policy to enlarge our rights in Manchuria and China, all these prerequisites of a powerful nation will constitute no problem. Furthermore our surplus population of 700,000 each year will also be taken care of. If we want to inaugurate a new policy and secure the permanent prosperity of our empire, a positive policy towards Manchuria and Mongolia is the only way.

Manchuria and Mongolia Not Chinese Territory

Historically considered, Manchuria and Mongolia are neither China's territory nor her special possessions. Dr. Yano has made an extensive study of Chinese history and has come to the positive conclusion that Manchuria and Mongolia never were Chinese territory. This fact was announced to the world on the authority of the Imperial University. The accuracy of Dr. Yano's investigations is such that no scholars in China have contested his statement. However, the most unfortunate thing is that in our declaration of war with Russia our government openly recognized China's sovereignty over these regions and later again at the Washington Conference when we signed the Nine Power Treaty. Because of these two miscalculations (on our part) China's sovereignty in Manchuria and Mongolia is established in diplomatic relations, but our interests are seriously injured. In the past, although China speaks of the Republic of Five Races, yet Tibet, Sinkiang, Mongolia and Manchuria have always remained special areas and the princes are permitted to discharge their customary functions. Therefore in reality the sovereign power over these regions resides with the princes. When the opportunity presents itself we should make known to the world the actual situation there. We should also wedge our way into Outer and Inner Mongolia in order that we may reform the mainland. So long as the princes there maintain their former administrations, the sovereign rights are clearly in their hands. If we want to enter these territories, we may regard them as the ruling power and negotiate with them for rights and privileges. We shall be afforded excellent opportunities and our national influence will increase rapidly.

Positive Policy in Manchuria

As to the rights in Manchuria, we should take forceful steps on the basis of the Twenty-One Demands and secure the following in order to safeguard the enjoyment of the rights which we have acquired so far:

1. After the thirty-year commercial lease terminates, we should be able to extend the term at our wish. Also the right of leasing land for commercial, industrial and agricultural purposes

should be recognized.

2. Japanese subjects shall have the right to travel and reside in the eastern part of Mongolia, and engage in commercial and industrial activities. As to their movements, China shall allow them freedom from Chinese law. Furthermore, they must not be subject to illegal taxation and unlawful examination.
3. We must have the right of exploiting the nineteen iron and coal mines in Fengtien and Kirin, as well as the right of timbering.
4. We should have priority for building railroads and option for loans for such purposes in South Manchuria and Eastern Mongolia.
5. The number of Japanese political, financial and military advisers and training officers must be increased. Furthermore, we must have priority in furnishing new advisers.
6. The right of stationing our police over the Koreans (in China).
7. The administration and development of the Kirin-Changchun Railway must be extended to 99 years.
8. Exclusive right of sale of special products—priority of shipping business to Europe and America.
9. Exclusive rights of mining in Heilungkiang.
10. Right to construct Kirin-Hueining and Changchun-Talai Railways.
11. In case money is needed for the redemption of the Chinese Eastern Railway, the Japanese Government must have the first option for making loans to China.
12. Harbour rights at Antung and Yingko and the right of through transportation.
13. The right of partnership in establishing a Central Bank of the Three Eastern Provinces.
14. Right of Pasturage.

Positive Policy Towards Inner and Outer Mongolia

Since Manchuria and Mongolia are still in the hands of the former princes, in the future we must recognize them as the ruling power and give them support. For this reason, the daughter of General Fukushima, Governor of Kwantung, risked her life among the barbarous Mongolian people of Tushiyeh to become adviser to their Prince in order that she might serve the Imperial Government. As the wife of the Prince Ruler is the niece of Manchu Prince Su, the relationship between our Government and the Mongolian Prince became very intimate. The princes of Outer and Inner Mongolia have all shown sincere respect for us, especially after we allured them with special benefits and protection. Now there are 19 Japanese retired military officers in the house of the Tushiyeh. We have acquired already monopoly rights for the purchase of wool, for real estate and for mines. Hereafter we shall send secretly more retired officers to live among them. They should wear Chinese clothes in order to escape the attention of the Mukden Government. Scattered in the territory of the Prince, they may engage themselves in farming, herding or dealing in wool. As to the other principal-

ities, we can employ the same method as in Tushiyeh. Everywhere we should station our retired military officers to dominate in the Princes' affairs. After a large number of our people have moved into Outer and Inner Mongolia, we shall then buy lands at one-tenth of their worth and begin to cultivate rice where feasible in order to relieve our shortage of food-supply. Where the land is not suitable for rice cultivation we should develop it for cattle raising and horse breeding in order to replenish our military needs. The rest of the land could be devoted to the manufacture of canned goods which we may export to Europe and America. The fur and leather will also meet our needs. Once the opportunity comes, Outer and Inner Mongolia will be ours outright. While the sovereign rights are not clearly defined and while the Chinese and Soviet Governments are engaging their attention elsewhere, it is our opportunity quietly to build our influence. Once we have purchased most of the land there, there will be no room for dispute as to whether Mongolia belongs to the Japanese or the Mongolians. Aided by our military prowess, we shall realize our positive policy. In order to carry out this plan, we should appropriate Yen 1,000,000 from the "secret funds" of the Army Department's budget so that four hundred retired officers disguised as teachers and Chinese citizens may be sent into Outer and Inner Mongolia to mix with the people, to gain the confidence of the Mongolian princes, to acquire from them rights for pasturage and mining and to lay the foundation of our national interests for the next hundred years.

Encouragement and Protection of Korean Immigration

Since the annexation of Korea, we have had very little trouble. But President Wilson's declaration of the self-determination of races after the European War has been like a divine revelation to the suppressed peoples. The Koreans are no exception. The spirit of unrest has permeated the whole country. Both because of the freedom they enjoy in Manchuria due to incompetent police system and because of the richness of the country, there are now in the Three Eastern Provinces no less than 1,000,000 Koreans. The unlooked-for development is fortunate for our country indeed. From a military and economic standpoint, it has greatly strengthened our influence. From another standpoint, it gives new hope for the administration of Koreans. They will both be the vanguard for the colonization of virgin fields and furnish a link of contact with the Chinese people. On the other hand, we could utilize the naturalized Koreans to purchase land for rice cultivation; on the other, we could extend to them financial aid through the Co-operative Society, the South Manchuria Railway, etc., so that they may serve as the spear-head of our economic penetration. This will give relief to our problem of food supply, as well as open a new field of opportunity for colonization. The Koreans who have become naturalized Chinese are Chinese only in name; they will return to our fold eventually. They are different from those naturalized Japanese in California and South America. They are naturalized as Chinese only for temporary convenience. When their num-

bers reach 2½ million or more, they can be instigated to military activities whenever there is the necessity, and under the pretence of suppressing the Koreans we could bear them aid. As not all the Koreans are naturalized Chinese, the world will not be able to tell whether it is the Chinese Koreans or the Japanese Koreans who create the trouble. We can always sell dog's meat with a sheep's head as a sign-board.

Of course while we could use the Koreans for such purposes, we must beware of the fact that the Chinese could also use them against us. But Manchuria is as much under our jurisdiction as under Chinese jurisdiction. If the Chinese should use Koreans to hamper us, then our opportunity of war against China is at hand. In that event, the most formidable factor is Soviet Russia. If the Chinese should use the "Reds" to influence the Koreans, the thought of our people will change and great peril will befall us. Therefore, the present Cabinet is taking every precaution against this eventuality. If we want to make use of the Koreans to develop our new continental empire, our protection and regulations for them must be more carefully worked out. We should increase our police force in North Manchuria under the terms of the Mitsuya Treaty so that we may protect the Koreans and give them help in their rapid advance. Furthermore, the Eastern Development Company (Totoku Kaisha) and the South Manchuria Railway Company should follow then to give them financial aid. They should be given especially favorable terms so that through them we may develop Manchuria and Mongolia and monopolize the commercial rights. The influx of Koreans into these territories is of such obvious importance both for economic and military considerations that the Imperial Government cannot afford not to give it encouragement. It will mean new opportunities for our empire. Since the effect of the Lansing-Ishii Agreement is lost after the Washington Conference, we can only recover our interests through the favourable development arising out of the presence of several millions of Koreans in Manchuria. There is no ground in international relations for raising any objection to this procedure.

Railroads and Development of Our New Continent

Transportation is the mother of the national defense, the assurance of victory and the citadel of economic development. China has only 7,200 to 7,300 miles of railroads, of which three thousand miles are in Manchuria and Mongolia, constituting two-fifths of the whole. Considering the size of Manchuria and Mongolia and the abundance of natural products, there should be at least five or six thousand miles more. It is a pity that our railroads are mostly in South Manchuria, which cannot reach the sources of wealth in the northern parts. Moreover, there are too many Chinese inhabitants in South Manchuria to be wholesome for our military and economic plans. If we wish to develop the natural resources and strengthen our national defence, we must build railroads in Northern Manchuria. With the opening of these railroads, we shall be able to send more people (Japanese) into Northern Manchuria. From this vantage ground we can manipulate political and economic developments in South Manchuria, as well

as strengthen our national defence in the interest of peace and order of the Far East. Furthermore, the South Manchuria was built mainly for economic purposes. It lacks encircling lines necessary for military mobilization and transportation. From now on we must take military purposes as our object and build circuit lines to circle the heart of Manchuria and Mongolia in order that we may hamper China's military, political and economic developments there on the one hand, and prevent the penetration of Russian influence on the other. This is the key to our continental policy.

There are two trunk lines in Manchuria and Mongolia. These are the Chinese Eastern Railway and the South Manchuria Railway. As regards the railroad built by the Chinese, it will doubtless become very powerful in time, backed by the financial resources of the Kirin Provincial Government. With the combined resources of Fengtien and Heilungkiang Provinces, the Chinese railroads will develop to an extent far superior to our South Manchuria Railway. Strong competition will inevitably result. Fortunately for us, the financial conditions in Fengtien Province are in great disorder, which the authorities cannot improve unless we come to their succor. This is our chance. We should take positive steps until we have reached our goal in railroad development. Moreover, if we manipulate the situation, the Fengtien bank-notes will depreciate to an inconceivable degree. In that event, the bankruptcy of Fengtien will be a matter of time. The development of Manchuria and Mongolia will be out of the question for them. But we still have to reckon with the Chinese Eastern Railway. It forms a T with the South Manchuria Railway. Although this system is a convenient shape, it is by no means suitable for military purposes. When the Chinese build railroads as feeders of the Chinese Eastern Railway, it is best that they run parallel to it, west and east. But with the South Manchuria Railway as main line, we must have these lines run north and south. For the benefit of the Chinese themselves, there are also advantages for these lines to run in this direction. Consequently our interest does not necessarily conflict with the Chinese. Now that Russia is losing influence and is powerless to advance in Manchuria and Mongolia, it is certain that the Chinese must act according to our reckoning in the development of railroads in the future. Much to our surprise the Fengtien Government recently built two railroads, one from Tahushan to Tungliiao and the other from Kirin to Haining, both for military purposes. These two railroads affect most seriously our military plans in Manchuria and Mongolia as well as the interest of the South Manchuria Railway. We therefore protested strongly against it.

That these railways were built was due to the fact that our official on the spot as well as the South Manchuria Railway authorities miscalculated the ability of the Fengtien Government and paid no attention to it. Later when we did intervene the railways were already completed. Besides, the Americans have been anxious to make an investment in developing the port of Hu-lu-tao through British capitalists. Taking advantage of this situation, the Fengtien Government introduced American and British capital in these railways in order to hold our interest at bay. For the time being we have to wink at it and wait for the opportune moment to deal with

China about these two railroads.

Recently, it is rumoured, that the Fengtien Government is planning to build a railroad from Tahushan to Harbin via Tung Liao and Fu Yu, so that there may be a direct line between Peking and Harbin without touching either the South Manchuria Railway or the Chinese Eastern Railway. What is more astonishing is that another railway beginning at Mukden passing through Hailung, Kirin, Wuchang and terminating at Harbin is also under way. If this plan becomes true, then these two lines would encircle the South Manchuria Railway and limit its sphere of activities to a small area. The result is that our economic and political development of Manchuria and Mongolia will be checked and the plan for curtailing our power by the Nine Power Treaty will be carried out. Moreover, the completion of these two railroads will render the South Manchurian Railway completely useless. The latter company will be confronted with a real crisis. But in view of China's financial conditions today, she cannot undertake these two railroads unless she resorts to foreign loans. And on these two railways the transportation charges will have to be higher than on the South Manchuria Railway. These considerations give us some comfort. But in the event of these two railroads becoming an accomplished fact and the Chinese Government making especially low freight charges in order to compete with the South Manchuria Railway, not only we but the Chinese Eastern Railway will also sustain great losses. Japan and Russia certainly would not allow China to carry out such obstructive measures, especially as the Chinese Eastern Railway depends upon Tsitsihar and Harbin for the bulk of its business. The consequence would be even more serious to both Japanese and Russian interests when the new railways are completed.

Let us consider more in detail the competitive railways projected in Manchuria and Mongolia. China contemplates:

1. Suolun-Taonan Railway.
2. Kirin-Harbin Railway.

Soviet Russia proposes:

1. Anta-Potung Railway.
2. Mienpo-Wuchang-Potuna Railway.
3. Kirin-Hailin Railway.
4. Mishan-Muling Railway.

The Russian plans are designed to strengthen the Chinese Eastern Railway and thereby to extend its imperialistic schemes. For this reason the railways projected mostly run east and west. For although the power of Soviet Russia is declining, her ambition in Manchuria and Mongolia has not diminished for a minute. Every step she takes is intended to obstruct our progress and to injure the South Manchuria Railway. We must do our utmost to guard against her influence. We should use the Fengtien Government as a wedge to check her southern advance. By pretending to check the southern advance of Soviet Russia as a first step, we could gradually force our way into North Manchuria and exploit the natural resources there. We shall then be able to prevent the spread of Chinese influence on the south and arrest the advance of Soviet Russia on the north. In our struggle against the political and economic influence of Soviet Russia, we should drive China before us and direct the event from behind. Mean-

while, we should still secretly befriend Russia in order to hamper the growth of Chinese influence. It was largely with this purpose in view that Baron Goto of Kato's cabinet invited Joffe to our country and advocated the resumption of diplomatic relations with Russia.

Although we have an agreement with the Chinese Eastern Railway concerning transportation rates, according to which 45% go to the Chinese Eastern Railway and 55% to us, yet the Chinese Eastern Railway still grants preferential rates detrimental to the interest of the South Manchuria Railway. Moreover, according to a secret declaration of Soviet Russia, although they have no territorial ambition they cannot help keeping a hand in the Chinese Eastern Railway on account of the fact that north of the Chinese and Russian boundary the severe cold makes a railway valueless. Furthermore, as Vladivostok is their only seaport in the Far East, they cannot give up the Chinese Eastern Railway without losing also their foothold on the Pacific. This makes us feel the more uneasy.

On the other hand the South Manchuria Railway is not adequate for our purpose. Considering our present needs and future activities, we must control railways in both north and south Manchuria, especially in view of the fact that the resources of North Manchuria and Eastern Mongolia will furnish no room for expansion and material gains. In South Manchuria the Chinese are increasing at such a rate that it surely will damage our interests politically and economically. Under such circumstances, we are compelled to take aggressive steps in North Manchuria in order to assure our future prosperity. But if the Chinese Eastern Railway of Soviet Russia should spread across this field our new continental policy is bound to receive a set-back which will result in an inevitable conflict with Soviet Russia in the near future. In that event we shall enact once more our part in the Russo-Japanese War. The Chinese Eastern Railway will become ours as the South Manchuria Railway did last time, and we shall seize Kirin as we once did Dairen. That we should draw swords with Russia again in the fields of Mongolia in order to gain the wealth of North Manchuria seems a necessary step in our program of national aggrandizement. Until this hidden rock is blown up our ship can have no smooth sailing. We should now demand from China the right of building all the important military railroads. When these railroads are completed, we shall pour our forces into North Manchuria as far as we can. When Soviet Russia intervenes, as they must, that is our opportunity for open conflict.

We should insist on the building of the following railways:

1. Tungliiao-Jehol Railway. This line is 447 miles long and will cost Yen 50,000,000. When it is completed it will be of great value to our development of Inner Mongolia. As a matter of fact, this is the most important of all the railways in the whole undertaking. According to the careful surveys of the War Department, there are in Inner Mongolia large tracts of land suitable for rice cultivation. After proper development there will be room for at least 20 millions of our people. There is besides the pos-

stability of turning out 2,000,000 head of cattle which may be transported by railways for food supply and for purposes of exporting to Europe and America. Wool also is a special product. While the sheep in Japan yield only two catties of wool per head per year, the sheep in Mongolia can yield six catties. The South Manchuria Railway has made many experiments, all of which confirm this fact. Besides, the wool is many times better than that of Australia. Its low cost and high quality combined with its abundance in quantity make Mongolia a potential source of great wealth. When this industry is enhanced by the facilities of railway development, the total production will increase at least ten-fold. We have withheld this knowledge from the rest of the world, lest England and America compete with us for it. Therefore, we must first of all control the transportation and then develop the wool industry. By the time the other countries know about it, it would be already too late to do anything. With this railroad in our hands, we can develop the wool industry not only for our own use, but also for exporting to Europe and America. Furthermore, we can realize our desire of joining hands with Mongolia. This railway is a matter of life and death to our policy in Mongolia. Without it, Japan can have no part in Mongolia's development.

2. Suolun-Taonan Railway. This line is 136 miles long and will cost Yen 10,000,000. Looking into the future of Japan, a war with Russia over the plains of North Manchuria is inevitable. From a military standpoint, this line will not only enable us to threaten Russia's rear, but also to curtail its reinforcements for North Manchuria. From an economic standpoint, this road will place the wealth of the Tao-er-ho Valley within our reach, thereby strengthening the South Manchuria Railway. The princes nearby who are friendly to us can also use this road to extend our influence in order to open up their respective territories. Our hope of working hand in hand with the Mongolian princes, of acquiring land, mines and pasturage, and of developing trade with the natives as preliminary steps for later penetration, all depend upon this railway. Together with the Tungliao-Jehol Railway, they will form two supplementary routes into Mongolia. When the industries are fully developed, we shall extend our interests into Outer Mongolia. But the danger of this line is that it might provide facilities for Chinese migration into a new region and spoil our policy. Look at our experience with the South Manchuria Railway. Hasn't that served the interest of China? The redeeming feature, however, is the fact that the land and mines along this railway are in the possession of Mongolian princes. If we can gain possession of them first, we need have no worries about Chinese migration. Moreover, we can make the princes pass laws discriminating against Chinese immigrants. When life there is made miserable for the Chinese, they naturally will leave for places afar. There are other methods to bar the Chinese. Only if we try hard enough, no Chinese foot-prints will be found on Mongolian territory.

3. A section of the Changchun-Taonan Railway. As this line runs from Changchun to Fuyu and Talai, the section between Changchun and Taonan is about 131 miles and costs approximately Yen 11,000,000. This

line is immensely important from an economic standpoint, for the wealth of Manchuria and Mongolia lies all in North Manchuria. It will enable us to have an easy access to North Manchuria on the one hand, and prejudice the Chinese Eastern Railway to the benefit of the South Manchuria Railway on the other. It runs through the upper valley of the Sungari River where the soil is fertile and agricultural products abound. Further, in the vicinity of Talai there is the Yueh-Liang Falls which could be harnessed for electric power. That this section of the railway will be a prosperous center for industry and agriculture, is beyond doubt. After the completion of this line, we shall be able to make Talai a base and advance on Siberia through three directions; namely, by way of Taonan, Anshan and Tsitsihar. The wealth of North Manchuria will then come to our hands. This will also be the first line of advance to Heilungkiang. It will further form a circuit with the railway between Changchun and Taonan, which will serve well for military purposes when we penetrate into Mongolia. Along this whole line the population is sparse and the land is rich and extensive. No fertilizer will be required on the farms for fifty years. A possession of this railway will ensure the possession of all the wealth of North Manchuria and Mongolia. In this region there is room for at least 30 million people more. When the Tunhua Railway is completed and joins up with the line running to Hueining in Korea, the products will be brought to the door of Osaka and Tokyo by a direct route. In time of war our troops could be despatched to North Manchuria and Mongolia via the Japan Sea without a stop, forestalling all possibilities of Chinese forces entering North Manchuria. Nor could American or Russian submarines enter the Korean Strait. The moment the railways between Kirin and Hueining and between Changchun and Talai are completed, we shall become self-sufficient in food-stuffs and raw materials. We shall have no worries in the event of war with any country. Then, in our negotiation with Manchuria and Mongolia, China will be cowed to submission and yield to our wishes. If we want to end the political existence of Manchuria and Mongolia according to the third step of Meiji's plan, the completion of these two railways is the only way. The Changchun-Talai Railway will greatly enhance the value of the South Manchuria Railway, besides developing into a profitable line itself. It is an undertaking of supreme importance in our penetration into this territory.

4. The Kirin-Hueining Line. While the Kirin-Tunhua Line is already completed, the Tunhua-Hueining Line is yet to be built. The narrow gauge of 2 ft. 6 inches of the track from Hueining to Laotoukow is inadequate for the economic development of the New Continent. Allowing Yen 8,000,000 for widening the tracks in this section and Yen 10,000,000 for completing the section between Laotoukow and Tunhua, the whole undertaking will cost approximately Yen 20,000,000. When this is done, our continental policy will have succeeded. Hitherto, people going to Europe have to pass through either Dairen or Vladivostok. Now they can go on the trunk line directly from Chingchinkwang via the Siberian Railway. When we are in control of this great system

of transportation, we need make no secret of our designs on Manchuria or Mongolia according to the third step of Meiji's plans. The Yamato Race is then embarked on the journey of world conquest! According to the last will of Meiji, our first step was to conquer Formosa and the second step to annex Korea. Having completed both of these, the third step is yet to be taken and that is the conquest of Manchuria, Mongolia and China. When this is done, the rest of Asia including the South Sea Islands will be at our feet. That these injunctions have not been carried out even now, is a crime of your humble servants.

In history the people living in Kirin, Fengtien and part of Heilungkiang, are called Sushan. They are now scattered along the sea coast and in the basins of the Amur and Tumen rivers. They were known as Kulai, Sushan, Hueibei, Palou, Wotsu, Fuyu, Kitan, Pohai and Nuchen at different stages of history. They were of a mixed race. The forefathers of the Manchurian dynasty also began in this vicinity. They gained control of Kirin, first, and then firmly established themselves in China for 300 years. If we want to put into effect our Continental Policy, we have to note this historical fact and proceed to establish ourselves in this region first also. Hence the necessity of the Kirin-Hueining Railway.

Whether the terminus of the Kirin-Hueining Line be at Chingchu or Lochin or even Hsiungchi, we are free to decide according to circumstances. From the standpoint of national defence at present Lochin seems the ideal harbour and terminus. Eventually it will be the best harbour in the world. On the one hand it will ruin Vladivostok, and on the other it will be the center of the wealth of Manchuria and Mongolia. Moreover, Dairen is as yet not our own territory. While Manchuria is yet not a part of our empire, it is difficult to develop Dairen. That being the case, we shall be in a precarious situation in time of war. The enemy could blockade the Tsushima and Senchima Straits, and we will be cut off from the supplies of Manchuria and Mongolia. Not having the resources there at our command we will be vanquished, especially as England and the United States have worked hand in hand to limit our action in every possible direction. For the sake of self-preservation and of giving warning to China and the rest of the world, we must fight America some time. The American Asiatic Squadron stationed in the Philippines is but within a stone's throw from Tsushima and Senchima. If they send submarines to these quarters, our supply of food-stuffs and raw materials from Manchuria and Mongolia will be cut off entirely. But if the Kirin-Hueining Railway is completed, we shall have a large circuit line through all Manchuria and Korea, and a small circuit line through North Manchuria. We shall have access in all directions gaining freedom for the transportation of soldiers and supplies alike. When our supplies are transported through this line to our ports at Tsuruga and Niigata, enemy submarines will have no way of getting into the Japanese and Korean straits. We are then entirely free from interference. This is what is meant by making the Japanese Sea the center of our national defence. Having secured the free transportation of food and raw materials, we shall have nothing to fear either from the American navy because of its size, or the Chinese or Russian army because of their number. Incidentally,

we shall be in a position to suppress the Koreans. Let me reiterate the fact that if we want to carry out the New Continental Policy, we must build this line. Manchuria and Mongolia are the undeveloped countries in the East. Over this territory we shall have to go to war with Soviet Russia sooner or later. The battle ground will be in Kirin.

When we carry out the third step of Meiji's plans with regard to China, we shall have to do the following things:

1. Mobilize the army divisions in Fukuoka and Hiroshima, and send them to South Manchuria via Korea. This will prevent the northern advance of Chinese soldiers.
2. Send the army divisions in Nagoya and Kwansei by sea to Chingchin, and thence to North Manchuria via the Kirin-Hueining Line.
3. Send the army in Kwantung through Niigata to Chingchin or Lochin, and thence by Kirin-Hueining Line to North Manchuria.
4. Send the army divisions in Hokkaido and Sendai to embark the ship at Aomori and Hakodato, and sail for Vladivostok; thence via the Siberian Railway to Harbin. Then they can descend on Fengtien, seize Mongolia and prevent Russian forces from coming south.
5. Finally these divisions in all directions will meet and form themselves into two large armies. On the south, they will keep Shanhaikwan and close it against the northern advance of Chinese forces; on the north, they will defend Tsitsihar against the southern advance of the Russians. In this way we shall have all the resources of Manchuria and Mongolia at our command. Even if the war should be prolonged for ten years, we need have no fear for the lack of supplies.

Let us now analyze once more the Kirin-Hueining Railway from the standpoint of its access from our ports.

First with Chingchin as the starting point:

1. To Vladivostok — 130 miles.
2. To Tsuruga — 475 miles.
3. To Moji — 500 miles.
4. To Nagasaki — 650 miles.
5. To Fushan — 500 miles.

Second, take Tsuruga as the port of entry and compare it with Dairen. In this case we should consider it from the point of view of Osaka as industrial center.

1. From Changchun to Osaka via Lochin, the distance is 406 miles by land and 475 miles by sea. In point of time the route will take 51 hours.
2. From Changchun to Osaka via Dairen and Kobe, the distance is 535 miles by land and 870 miles by sea. In point of time it takes 92 hours.

If Tsuruga instead of Dairen is made the connecting link, there is a saving of 41 hours. Calculated at the rate of 30 miles an hour on land and 12 miles an hour by sea, we can use fast boats and trains and cut the time in half.

Manchuria and Mongolia are the Belgium of the Far East. In the Great War, Belgium was the battle field. In our wars with Russia and the United States,

we must also make Manchuria and Mongolia suffer the ravages. As it is evident that we have to violate the neutrality of these territories, we cannot help building the Kirin-Hueining and Changchun-Talai Railways in order that we may be militarily prepared. In time of war we can easily increase our forces and in time of peace we can migrate thousands upon thousands of people into this region and work on the rice fields. This line offers the key to economic development as well as to military conquests.

In undertaking the Kirin-Hueining Railway, it is necessary to take advantage of the dry season and finish it at one stretch. The mountains we must go through are all granite. The tunneling would need modern and up-to-date machines. As to the sleepers and ballast required, there is an abundance all along the line. Limestone and clay for making tiles and brick are also to be had for the taking. Only rails, cars and locomotives have to be brought in. The cost of construction could therefore be reduced at least thirty per cent and the time required forty per cent.

Now let us look into the economic interests along this line. According to the careful investigation of our General Staff and the South Manchuria Railway, the total reserve of timber is 200,000,000 tons. If one million ton is fallen and imported to our country each year, it will last two hundred years. This will stop the imports of American timber which has been costing us Yen 80,000,000 to Yen 100,000,000 a year. Although our information is reliable we cannot make it known to the world, for if China or Russia learns that we get so much timber from America, they would try to interfere with the construction of this line. Or else, the United States may buy from the Feng-tien Government all the timber rights on the one hand to protect their own trade with us; on the other, to control the monopoly and incidentally kill our paper industry.

Kirin was known as the "ocean of trees" even in the days of Emperor Chien-Lung. Added to the original forests are the growths in the intervening years since that time. Imagine the vastness of the resources! To transport this timber from Kirin to Osaka via Changchun and Dairen, there is a distance of 1,385 miles. For every cubic foot, we have to spend 34 cents. Because of this high cost of transportation, we cannot compete with the United States. If the Kirin-Hueining Line is completed, the distance is reduced to about 700 miles. We can then ship timber to Osaka at the low rate of 13 cents per cubic foot. We can certainly defeat the timber from the United States then. Supposing we calculate the profit at Yen 5.00 per ton of timber and supposing there are two billion tons of timber, the construction of the railway will bring to us the easy profit of 10 million yen. Besides, we will bar the import of American timber into our country. Furthermore, the industry of furniture making, paper manufacture and other usages which the cheap timber makes possible will add 20 million yen more to our country's annual income.

There is also the Hsin Chin coal mine, which has a reserve of 600,000,000 tons of coal. The quality of this coal is superior to that of Fushun coal, easy to excavate and suitable for the extraction of petroleum, agricultural fertilizers and other chemical by-

products which we may both use at home and sell in China. There are numerous other advantages which will come to us from the building of the Kirin-Hueining Railway. It is all gain without labour. The coal will supplement the Fushun colliers. With both coal mines in our control, we hold the key to the industries of all China. Speaking of the Hsin Chin coal, we shall reap a profit of Yen 5.00 on each ton when it is shipped to Japan. With additional chemical by-products, we shall reap a profit of Yen 16.00 from each ton of coal. Taking an average profit of Yen 15.00 a ton, the total profit will amount to 200 billion yen. All this comes as a by-product from the operation of the Kirin-Hueining Railway. There are, besides, the gold mines along the Mutan River. The acquired rights of the South Manchuria Railway in the gold mines of Chia-Pi-kou in the province of Kirin and the timber in the neighborhood will all be within reach of exploitation once the Kirin-Hueining line is in operation.

In the vicinity of Tunhua, the agricultural products such as oats, wheat, millet and Koaliang, yield an annual output of over a million catties. There are twenty distilleries of wines, thirty oil mills yielding an annual output of about 600,000 catties of oil and 600,000 of bean cakes, besides many other places for making vermicelli. All these will depend upon the new railway. The trade along this road may be estimated at 4 million yen a year. The transportation charges of farm products alone will not only defray the running expenses, but also yield a net profit of Yen 200,000 per year. Including the net profit from timber, coal and its by-products transported by the railways, we can safely count on a profit of Yen 8,000,000 a year. Besides, there are indirect benefits such as strengthening of the South Manchuria Railway, the acquisition of rights over forests, mines and trade as well as the migration of large numbers of our people into North Manchuria. Above all, is the shortening of distance between Japan and the resources of wealth in North Manchuria. It takes only three hours from Chingchin to Hueining, three hours from Hueining to Sanfeng and three hours more from Tumen River to Lung-Ching-Tsun. In 60 hours we can reach the wealth of North Manchuria. Hence the Kirin-Hueining Railroad alone can enable us to tap the immense wealth of North Manchuria.

4. Hunchun-Hailin Railway. This is 173 miles long and costs Yen 24,000,000. All along this line are thick forests. In order to strengthen the Kirin-Hueining Railway and to exploit the forests and mines in North Manchuria, this line is needed. In order to transfer the prosperity of Vladivostok to Hueining, this line is also urgently needed. The greatest hope for prosperity, however, is the fact that south of Naining and north of Tunhua there is Lake Ching Po which can be used to generate electric power. With this electric power, we shall have control over the agricultural and industrial undertakings of the whole of Manchuria and Mongolia. No amount of China's agitation can matter in the least to our industrial developments. According to the investigations of the South Manchuria Railway, the water power in the lake can generate at least 800,000 horse-power. With such an enormous quantity of electric power, the industrial conquest of Man-

churia and Mongolia can be easily accomplished. In the neighbourhood of this immense power plant, there will be phenomenal growth of wealth. We must build this railway quickly, in order to provide facilities for transportation. Lake Hsing Kai, which is owned jointly by China and Russia, can also be developed for the generation of electricity. In order that these two countries may not combine to frustrate our plans, we should introduce a resolution in the International Conference of Electrical Engineering to be held in Tokyo this year, to the effect that in the same area of electricity supply there should not be two power plants. Besides, in the vicinity of Niigata and Hailin, the Oju Paper Mill has acquired extensive rights of lumbering. They need the immediate establishment of the power plant at Lake Chingpo and the early completion of the Hunchun-Hailin Railway in order to bring to the factory at home the raw materials growing wild in Mongolia.

Moreover, the reason that the Feng-Kirin-Wuchang Railway and the Kirin-tien authorities intend to build the Wuchang Railway and the Kirin-Mukden Railway, with Hulutao or Tientsin as sea-port, is that they want to recover to themselves the wealth of North Manchuria. By building the Hunchun-Hailin Railway we shall not only strengthen the Kirin-Hueining Railway, but also defeat the Chinese scheme and draw the wealth of Manchuria to Chingchin Harbour. The transportation charges will be two-thirds less compared with the Chinese line and one-third less compared with the Siberian line. They cannot compete with us. Our victory is a foregone conclusion.

The total trade in Manchuria is seven or eight billion yen a year, all of which is in our hands. The business we do in wool, cotton, soy beans, bean cakes and iron, forms one-twentieth of the total volume of world trade. And it is steadily increasing. But the Namiyaya Machi at Dairen (the wealthiest street in the city) is still in Chinese possession. The sad story goes further. Oil is a basic industry in Manchuria. We control only six per cent of it. Of the 38 oil mills in Yingkow there is not one Japanese; of the 20 oil mills in Antung there is only one Japanese and of the 82 or 83 oil mills in Dairen there are only seven owned by Japanese. This is by no means an optimistic outlook for us. In order to recover the lost ground, we must first of all develop transportation. Then, by securing a monopoly on both finished products and raw materials, we shall be able to gain the upper hand eventually. Furthermore, we ought to assist our people in oil business by extending to them financial credit, so that the oil industry of the Chinese will be forced out of the market. There are many Chinese on Kawaguchi Machi in Osaka who are dealers of our manufactured goods in Mongolia and Manchuria. They are strong competitors of our own business men in China. Our people are greatly handicapped because of their high standard of living which compels them to figure at a higher percentage of profit. On the other hand, the Chinese also have their disadvantages. The goods that they get are of an inferior quality, but the price that they pay is at least 10 per cent higher than what our own people pay. Besides, they are also obliged to pay Yen 2.70 more than our people for every ton of goods transported, and yet they can

undersell our merchants in Manchuria. It clearly shows the inability of our own people. When one thinks of it, it is really pathetic. The Chinese is single-handed, receiving no assistance from the government. But the Japanese in Manchuria has every protection from the government and long-term credit at a low rate of interest. Still there are innumerable cases of failures. Hereafter, we should organize a co-operative exporting house to China. The steamship lines and the South Manchuria Railway should give it special discounts, and the government in Kwantung should extend to it financial credit at a very low rate of interest. Then we can hope to beat the Chinese merchants and recover our trade rights, so that we may develop the special products of Manchuria and send them to all parts of the world.

The first step in gaining financial and commercial control of Manchuria and Mongolia lies in the monopoly sale of their products. We must have the rights of monopoly for the sale of Manchurian and Mongolian products before we can carry out our Continental Policy and prevent the invasion of American capital as well as the influence of the Chinese traders.

Although the products of Manchuria and Mongolia may go through any of the three ports, Dairen, Yingko and Antung, nevertheless Dairen holds the key to the situation. Every year 7,200 ships pass through this port with a total tonnage of 11,565,000 tons. This represents 70 per cent of the total trade of Manchuria and Mongolia. Fifteen navigation routes radiate out from it with definite sailing schedule. Most of it is coastal sailing. We have in our grasp the entire transportation system of Manchuria and Mongolia. The monopoly sale of Manchuria's special products will eventually come into our hands. When that comes true, we can develop our oceanic transportation in order to defeat both Yingko and Antung. Then the large quantities of beans which the central and southern parts of China consume, will depend upon us entirely. Moreover, the Chinese are an oil eating people. In time of war, we can cut off their oil supply and the life of the whole country will become miserable. Bean cakes are important as fertilizers for the cultivation of rice. If we have control of the source of supply as well as the means of transportation, we shall be able to increase our production of rice by means of a cheap supply of bean-cakes and the fertilizers manufactured as a by-product at the Fushun coal mines. In this way, we shall have the agricultural work of all China dependent upon us. In case of war, we can put an embargo on bean-cakes as well as the mineral fertilizers and forbid their exportation to Central and South China. Then China's production of food-stuffs will be greatly reduced. This is one way of building up our continental empire which we must not overlook. We should remember that Europe and America also need large quantities of beans and bean-cakes. When we have a monopoly of the supplies and full control of transportation, both on land and sea, the countries which have need of the special products of Manchuria and Mongolia will have to seek our good-will. In order to gain trade monopoly in Manchuria and Mongolia, we must have control of the complete transportation system. Only then can we have the

Chinese merchants under our thumb.

However, the Chinese are adepts in learning our tricks and beating us at our own game. We have yet found no way by which we can compete successfully with them in oil-making and sail-boat transportation. After building up the new system of transportation, our policy should be two-fold. On the one hand, wreck the sail-boat trade by means of heavy investment in our own system. On the other hand, encourage our men to learn all they can from the Chinese sail-boat business. Another thing we should be careful about is teaching the Chinese our industrial methods. In the past we have established factories in Manchuria and Mongolia, and carried on industries near the source of raw materials. This gave to the Chinese the opportunity of learning our secrets and establishing competitive factories of their own. Hereafter, we should ship the raw materials back home and do the manufacturing there, and then ship the finished products for sale in China and other countries. In this way we shall gain in three ways: (1) provide work for our unemployed at home; (2) prevent the influx of Chinese into Manchuria and Mongolia, and (3) make it impossible for the Chinese to imitate our new industrial methods. Then iron of Penhsihu and Anshan and the coal of Fushun should also be sent home to be turned into finished products.

For all these considerations, the development of ocean transportation becomes the more necessary. The Dairen Kisen Kaisha Company should be enlarged, and our government should extend to it loans at low interest through the South Manchuria Railway Company. By next year we should complete 50,000 tons of new ships for oceanic transportation. That will be sufficient to dominate over the traffic of the East. For on the one hand we have the South Manchuria Railway for land transportation; on the other hand, we control the large quantities of products in Manchuria and Mongolia waiting to be transported. The success of this enlarged activity in oceanic transportation with Dairen as center is assured by the iron laws of economics.

Gold Standard Currency Necessary

Although Manchuria and Mongolia are within our field of activities, yet the legal tender there is still silver. It often conflicts with our gold basis and works to our disadvantage. That our people have failed to prosper as they should in these places, is due to the existence of the silver monetary system there. The Chinese have persistently upheld the silver basis, and therefore have made it impossible for us firmly to establish our colonization plans on a firm economic foundation. We have suffered from it the following disadvantages:

1. The money that we bring into Manchuria is of gold standard. When we use it either for daily livelihood or for industry and trade, it has to be exchanged into Chinese silver dollars. The fluctuation of exchange is not infrequently as much as 20 per cent, resulting in serious loss to our people. Speculation becomes a regular business and investing money becomes a matter of gambling. When one plans an investment of two hundred thousand yen, one may suddenly find that his capital has been reduced to one hundred fifty or one hundred sixty thousand dollars due to the drop in exchange. The creditor would

then have to call in the loans and business failures have often resulted.

2. The Chinese business men use silver money throughout and are free from the effects of the exchange fluctuations. Therefore their "junk" trade is prosperous. Although they have no scientific knowledge of the exchange value of gold and silver, they always gain in the transaction. They have a natural gift for it; we suffer the more. And we lose in spite of our control of the transaction and special backing of banking houses. Because of the handicap of the monetary system, people in Central and South China always buy beans and bean-cakes from their own people. We have no chance against them. In consequence, we cannot conquer the whole of China.

3. With the silver standard in existence, the Chinese Government can increase their notes to counteract our gold notes. Consequently our banks will fail to carry out the mission of extending our country's influence.

4. If the gold standard is adopted, we can issue gold notes freely. With the credit of the gold notes, we can acquire rights in real property and natural resources and defeat the credit of the Chinese silver notes. The Chinese will be unable to compete with us; and the currency of the whole of Manchuria and Mongolia will be in our control.

5. The Government Bank of the Three Eastern Provinces, the Bank of Communications, the Frontier Development Bank and the General Credit and Finance Corporation have in circulation silver notes amounting to \$38,000,000. Their reserve funds in the form of buildings and goods are estimated at \$1,350,000. It is natural that the Chinese notes should depreciate. It is only by acts of the Government that these notes are still in circulation. Until we have entirely discredited the Chinese silver notes, we will never place our gold notes in their proper place in Manchuria and Mongolia, much less obtain the monopoly in currency and finance of these two countries. With the depreciated and inconvertible silver notes, the government of the Three Eastern Provinces buys all kinds of products, thus threatening our vested interests. When they sell these products, they demand gold from us which they keep for the purpose of wrecking our financial interests including our trade rights in special products. For these reasons, our gold notes are having a harder time and a gold standard for currency becomes the more urgently necessary.

In view of the above-mentioned considerations, we must overthrow Manchuria's inconvertible silver notes and divest the government of its purchasing power. Then we can extend the use of our gold notes in the hope of dominating the economic and financial activities of Manchuria and Mongolia. Furthermore, we can compel the authorities of the Three Eastern Provinces to employ Japanese financial advisers to help us gain supremacy in financial matters. When the Chinese notes are overthrown, our gold notes will take their place.

Encourage Investment From A Third Power

It has been our traditional policy to exclude from Manchuria and Mongolia investments of a third power. But since the Nine Power Treaty is based on the principal of equal opportunity for all the underlying principle of the International Consortium which regards Manchuria and Mongolia as outside its

sphere becomes anachronistic. We are constantly under the watchful eyes of the Powers, and every step that we take arouses suspicion. This being the case, we better invite foreign investments in such enterprises as the development of electric power or the manufacture of alkali. By using American and European capital, we can further our plans for the development of Manchuria and Mongolia. By so doing, we shall allay international suspicion and clear the way for larger plans on the one hand and induce the Powers to recognize the fact of our special position in that country on the other. We should welcome any power wishing to make investment, but we must not allow China to deal with the leading countries at her will. As we are anxious that the Powers recognize the fact of our special position in Manchuria and Mongolia in political as well as economic affairs, we are obliged to intervene and share all responsibilities with her. To make this a customary practice in our diplomatic dealings, is another important policy for us.

The Necessity of Changing the Organization of the South Manchuria Railway

The South Manchuria Railway Company functions in Manchuria as the Governor-General of Korea did there before the annexation. In order to build up our new Continental Empire, we must change the organization of that Company so as to break away from the present difficulties. The functions of this Company are varied and important. Every change of cabinet involves a change of the administration of the South Manchuria Railway, and conversely every activity of the South Manchuria Railway also has important consequences on the cabinet. This is because the South Manchuria Railway is semi-governmental, with final authority resting in the cabinet. For this reason, the Powers invariably look upon this railway as a purely political organ rather than a business enterprise. Whenever a new move is made for the development of Manchuria and Mongolia, the Powers would invoke the Nine Power Treaty to thwart the plans of the South Manchuria Railway. This has greatly damaged the interests of our empire.

Considered from the point of view of domestic administration, the South Manchuria Railway is subject to a quadruple control. There are the Governor of Kwantung, the Chief Executive of Dairen, the Consul-General at Mukden, besides the President of the South Manchuria Railway itself. These four officers must meet and exchange views at Dairen before anything is undertaken. What is discussed in the meeting held in camera often leaks out to the Chinese authorities of the Three Eastern Provinces. They in turn would try to obstruct any forward movements of the South Manchuria Railway authorization, it again has to run the gauntlet at the Departments of Foreign Affairs, of Railways, of Finance and of Army. If these ministers do not agree, the matter is dropped. Therefore, although the present prime minister realizes his own incompetence, he has nevertheless taken concurrently the portfolio of foreign affairs, so that our movements in Manchuria may be kept confidential and the execution of our plans may be swift and decisive. On account of these reasons, the South Manchuria Railway should be radically reorganized. All appurtenant enterprises which are profit-making should be made independent

companies under the wings of the South Manchuria Railway, so that we may take determined steps on the conquest of Manchuria and Mongolia. On the other hand, Chinese, Europeans and Americans should be invited to invest money in the South Manchuria Railway on the condition that we have a plurality of its stocks. In that event the control of the company is in our hands, and our mission from the empire can be discharged more vigorously. In short, by inviting international participation in the South Manchuria Railway, we can blind the eyes of the world. Having achieved that, we can push our advance in Manchuria and Mongolia at our will, free ourselves from the restraints of the Nine Power Treaty and strengthen our activities in that country with foreign capital.

The important appurtenant enterprises of the South Manchuria Railway are:

1. Iron and steel. Iron and steel are closely connected with national development. Every country today attaches great importance to it. But because of the lack of ores, we have found no solution to this problem. Hitherto we have had to import steel from the Yangtze Valley and the Malay Peninsula. But according to a secret survey of our General Staff, a wealth of iron mines are found in many places in Manchuria and Mongolia. A conservative estimate of the reserve is 10 billion tons. At first when there was a lack of technique, the Anshan Iron and Steel Works was involved in an annual loss of Yen 3,000,000. Later, new methods were discovered, and the technique developed so that during 1926 the loss was only Yen 150,000 and a year later there was a profit of Yen 800,000. If the furnace is improved, we ought to earn at least Yen 4,000,000 a year. The quality of the ore at Penhsihu is excellent. By amalgamating it with the Anshan Iron Works, we shall have the comfort of being self-sufficient in iron and steel.

The iron deposits in Manchuria and Mongolia are estimated at 1,200,000,000 tons, and the coal deposits 2,500,000,000 tons. This coal ought to be sufficient for smelting the iron ores. With such large amounts of iron and coal at our disposal, we ought to be self-sufficient for at least seventy years. At the rate of \$100.00 profit on each ton of steel, for 350,000,000 tons of steel we shall have a profit of Yen 35,000,000,000. This is a tremendous asset to our economic resources. We shall save the expense of Yen 120,000,000 which we pay for the importation of steel every year. When we can have sufficient iron and steel for our own industries, we shall have acquired the secret for becoming the leading nation in the world. Thus strengthened, we can conquer both the East and the West. In order to attain this goal, the iron works must be separated from the South Manchuria Railway. Such unified control will keep China from preventing us to become self-sufficient in iron and steel.

2. Petroleum. Another important commodity which we lack is petroleum. It is also essential to the existence of a nation. Fortunately, there lie in the Fushun Coal Mine 5,200,000,000 tons of shale oil, from every hundred cattles of which six cattles of crude oil may be extracted. By means of American machinery, every hundred cattles will yield nine cattles of refined oil good for motor cars and battleships. At present

Japan imports from foreign countries 700,000 tons of mineral oils every year valued at Yen 60,000,000. These figures are on the increase. As there are 50 billion tons of shale in the Fushun mines, the yield calculated at five per cent would be 250,000,000 tons; at nine per cent, 450,000,000 tons of oil. Taking an average of the two, the yield would be 350,000,000 tons, and assuming the value of the oil to be fifteen yen a ton, the oil shale contained in the Fushun Mine would bring us Yen 2,250,000,000. This will be a great industrial revolution for us. From the standpoint of national defence and national wealth, petroleum is a great factor. Having the iron and petroleum of Manchuria, our army and navy will become impregnable walls of defence. That Manchuria and Mongolia are the heart and liver of our empire, is a truthful saying. For the sake of our empire, we should be congratulated.

Agricultural Fertilizer—Ammonia Sulphate and Other Products

Agricultural fertilizer is a great necessity for the production of foodstuffs. Chemical fertilizers depend upon the ammonia sulphate extracted from coal. The Fushun coal yields especially good results. At present, our total consumption of ammonia sulphate is 500,000 tons. Of this, only half is manufactured at home, using the coal from the Kailan or the Fushun Mining Companies. The remaining half is imported from abroad at the cost of Yen 35,000,000 a year. With our agricultural work daily increasing and in view of the development of our new empire in Manchuria and Mongolia, we shall easily need 1,000,000 tons of ammonia sulphate every year during the next ten years. From the soot gathered from the burning of Fushun coal connected with the manufacture of steel, we could produce large quantities of ammonia sulphate. If the yield is put at 300,000 tons a year, we shall add an annual income of more than Yen 40,000,000. In fifty years, this will mount up to Yen 2,000,000,000. This money could be used for the improvement of our agriculture. If there is any surplus, we can buy bean-cakes with it and then invade the farms all over China and in the South Sea Islands. In order to accomplish this, we must separate this enterprise from the South Manchuria Railway. We shall then be able to control the fertilizers of the Far East.

Soda and Soda Ash

We import 100,000 tons of Soda Ash at the cost of more than Yen 10,000,000 a year. Both soda and soda ash are valuable materials for military and industrial purposes. Soda is derived from nothing more than salt and coal, both of which are cheap and abundant in Manchuria and Mongolia. If we go into this manufacture, we can supply not only ourselves but can also sell it to China with a view to controlling its industrial products. We ought to gain from it a profit of at least Yen 15,000,000 a year. We can also supply our own military and chemical needs. Again this industry must be separated from the South Manchuria Railway.

Magnesium and Aluminum

According to the independent surveys of the South Manchuria Railway Company and Dr. Honta of Tohoku University, magnesite and aluminum is a very

promising business (in Manchuria). Magnesium is found in the surroundings of Tashichiao, and aluminum in the vicinity of Yantai. The deposit is one of the largest in the world. A ton of magnesite is worth Yen 2,000 and a ton of aluminum is worth about Yen 1,700. An estimate of the deposits of both minerals in Manchuria is Yen 750,000,000. These substances are especially useful for making aeroplanes, mess kits in the army, hospital apparatus and vessels, and other important industries. The United States alone has extensive deposits of these substances. The output of our country is one ton a year! Such materials are becoming more useful every day, but the supply is insufficient. Its price is growing high, as if never reaching a limit. The deposits in our territory of Manchuria and Mongolia are nothing less than a God-given gift. This metal is really precious, being indispensable to both our industry and national defence. It also should be made an independent business, separate from the South Manchuria Railway. Its manufacture should be in Japan, so as to keep the Fengtien Government from imitating it on the one hand and to avoid the watchful eyes of the British and American capitalists on the other. After we have gained control of it in the Three Eastern Provinces, we may harness the water power of the Yalu River to work on these metal ores. In view of the development of aircraft, in the future all the world will come to us for the materials necessary for aeronautics.

If all the enterprises mentioned above are made independent undertakings, they would make rapid progress and bring us at least a profit of 60 billion yen a year. The industrial development in South Manchuria means much to our national defence and economic progress. It will help us to build the foundation of an industrial empire. As to the cultural undertakings such as hospitals, schools and philanthropic institutions, they are our signal towers in our advance into Manchuria and Mongolia. They are the institutions for spreading our national prestige and power. More specifically, they are the baits for rights and privileges. Let us separate all these from the South Manchuria Railway in order that we may redouble our efforts and advance into North Manchuria to reclaim the sources of great wealth there.

When these important undertakings become independent and are free to develop without the interference of our officials, they will naturally become channels of national prosperity. On the wings of economic development, we could make rapid advance without either arousing the suspicion of the Powers or the anti-Japanese activities of the people of the Three Eastern Provinces. Such hidden methods would enable us to build the New Continental Empire with ease and efficiency.

The foreign loans for the South Manchuria Railway must be confined to those railroads already completed. Other railways built by us but nominally under Chinese control, can either be amalgamated with the completed lines or made independent according to the desire of the investing nations. The slogan of "Equal Opportunity" help us to get foreign loans as well as to dispel suspicion of our designs in North Manchuria. At any rate, we shall need foreign capital to develop our Continental Empire. When the South Manchuria Railway is open to foreign in-

vestments the Powers will be glad to lend more to us and China can do nothing to block it. This is an excellent way to further our plans in Manchuria. We should lose no time in doing it. As to the wealth concentrated in the northern part of Manchuria and Mongolia, we should be likewise. The two new railways from Kirin to Hueining and from Changchun to Talai, as well as the lumber and mining interests, should also be managed as separate institutions.

The South Manchuria Railway will also be greatly enriched by our exploits in North Manchuria. In undertaking this, we must permit foreign investment on the South Manchuria Railway so that any profit that it makes is shared by other nations. When they share in the profits, no one will interfere with our activities in North Manchuria. Already Chinese immigrants are pouring into South Manchuria in large numbers. Their position will become stronger every day. As the right of renting land in the interior is not yet secured, our immigrants are gradually losing ground. Even if our government's backing will maintain our people there, they cannot compete with the Chinese due to the latter's low standard of living. Our only chance now is to defeat the Chinese by heavy capitalization. This again necessitates the use of foreign loans. This is so, especially because the riches of North Manchuria are even not accessible to the Chinese immigrants. We must seize the present opportunity, and hasten the progress of immigration by our own people and take possession of all rights there so as to shut out the Chinese. But in order to encourage immigration, rapid transportation is essential. This will afford both facilities to our people and bring the natural resources there to the world-be market. Moreover, both Russia and ourselves have been increasing armaments. On account of geographical positions, we have conflicting interests. If we want to obtain the wealth of North Manchuria and to build up the New Continent according to the will of Emperor Meiji, we must rush our people into North Manchuria first and seek to break the friendship between Russia and China. In this way, we can enjoy the wealth of North Manchuria and hold at bay both Russia and China. In case of war, our immigrants in North Manchuria will combine with our forces in South Manchuria and at one stroke settle the problem forever. In case this is not possible, they can still maintain their own in North Manchuria and supply the rest of us with food-stuffs and raw materials. As the interests of North Manchuria and our country are so wrapped up, we could march directly into North Manchuria and pursue our settled policy.

The Necessity of Establishing a Colonial Department

Our exploitation of Manchuria takes a variety of forms. Often those in authority take such different views that even the most profitable undertaking for our country cannot be carried out. Because of the lack of speed, our secrets are often exposed and are made propaganda materials by the Mukden Government much to the detriment of our country in international relations. Whenever a new undertaking is projected in Manchuria and Mongolia, it will become the subject of discussion of tens of meetings and conferences in Dairen. Not only the approval of the four-headed government there is necessary, but also the sanction of the cabinet at home

has to be secured before anything can be carried out. Because of all these obstacles, any undertaking will take months and months before any definite results are seen. In the process it is possible for the Chinese to employ Japanese adventurers to steal our secrets so that before a project is launched it is often reported to the Chinese and in turn it becomes common property of the world. We are suddenly brought under the check of world opinion, and more than once we have incurred hardship in putting into practice our policy toward Manchuria and Mongolia. Furthermore, the opposition party has also made capital out of what they find in these regions in order to attack the government. All these have many serious results with our diplomatic relations. Henceforth, we must change our practice in order to proceed more adroitly. The center of control must be in Tokyo. That will (1) insure secrecy; (2) stop China from knowing beforehand our plans; (3) avoid the suspicion of the powers before the thing is done; (4) unify the multiple control in Manchuria and (5) bring the government agencies in Manchuria and Mongolia in close touch with the central government so as to deal with China with undivided power. For these reasons we should follow the original plan for absorbing Korea laid down by Ito and Katsura and establish a Colonial Department, the special function of which is to look after the expansion in Manchuria and Mongolia. The administration of Formosa, Korea and Saghalien Island may be its nominal function, but our expansion in Manchuria and Mongolia is its real purpose. This will blind the eyes of the world on the one hand and forestall the disclosure of secrets on the other.

It is my personal conviction that the fact that the absorption of Korea could not be effected during the administration of Ito, is due to the lack of a special office for control. Therefore, there were always differences of opinion and secret policies were impossible. Such a state of affairs played into the hand of international obstruction and Korean opposition. Then a number of propagandists went to Europe and America as well as Korea itself, declaring that we firmly respected the independence of Korea and had no designs on an inch of Korean territory. The result of their work was the recovery of international confidence. After that, a Colonial Department was established under the pretence of Formosa. Then we seized the opportunity and the object was gained! It goes to prove that in order to undertake colonization and immigration, a special office for it is absolutely necessary. Moreover, the creation of a new empire in Mongolia and Manchuria is of utmost importance to the existence of Japan. It is necessary to have a special office, in order that the politics in that vast territory may be controlled from Tokyo. The officers in the field should only take orders, they should not interfere with the execution of policies where they please. This will insure secrecy; and the opposition nation have no chance of getting into the secrets of our colonial activities. Then our movements regarding Mongolia and Manchuria will be beyond the reach of international public opinion and we shall be free from interferences.

As to the subsidiary enterprises of the South Manchuria Railway such as the Development Company, the Land Company, and the Trust Company, the power of supervision and planning should also be in the colonial office. They should all be under united

control in order that they may all help in the general policy of expansion in Mongolia and Manchuria of the Imperial Government and complete the creation of the new empire.

*The Taling River Valley On the
Peking-Mukden Railway*

The Taling River Valley is a wide area sparsely populated but infested with bandits. Many Koreans have made investments here, especially in rice fields. Judging from its resources, this region is bound to be prosperous. It will also be an advantageous foothold for us if we want to expand into the Jehol region. We should give full protection to our Korean subjects here and wait for an opportunity to secure from China the right of colonization so that our immigrants may live here and act as our vanguards to Jehol and Mongolia. In case of warfare, this valley will be a strategic point to quarter large armies of soldiers. We shall then not only check the Chinese soldiers from advancing north, but also hold the key to the immense wealth of South Manchuria. When Koreans come into this region we should finance them through our Trust and other financial organs with a view to gaining for these organs the actual ownership while the Koreans may satisfy themselves with the right of farming only. Ostensibly the ownership of land must reside with the Koreans. It is a convenient way of securing rights from the Chinese government. Henceforth the Trust companies and financial organs should give them full backing when our own and Korean subjects wish to gain land ownership. If they need money to buy farms from the Chinese, the financial organs should also come to their aid. Unnoticeably we shall gain control of the better rice fields which we may give to our own immigrants. They shall displace the Koreans who in turn may go on opening new fields, to deliver to the convenient use of our own people. This is the policy with respect to the colonization of rice fields and bean farms. As to the policy for herd farming, the Development Company should be especially entrusted gradually to expand, eventually placing all the wealth of herds at the disposal of our country.

This same company may also take care of horse breeding and select the best out of Mongolia for the use of our national defence.

Precaution Against Chinese Migration

Recently the internal disturbances in China have driven large hordes of immigrants into Mongolia and Manchuria, thereby threatening the advance of our migration. For the sake of our activities in this field, we should not fail to take precautions. The fact that the Chinese government welcomes this migration and does nothing to hold back the tide oppresses our policy even the more seriously. A noted American sinologue has made the statement the Mukden authorities are carrying out such effective government that all people are moving into their territory. Therefore, the influx of immigrants is looked upon as a mark of effective government of Mukden authorities. We, of course, are concerned. Unless we put a stop to it, in less than ten years our own policy of emigration will prove an instrument for China to crush us with. Politically we must use police force to check this tendency as much as possible and economically our financiers should drive the Chinese out with low wages. Furthermore, we must develop and expand electric power to displace human labour. This will keep out Chinese immigrants as well as monopolize the control of motor force as a first step toward controlling the industries development of this vast region.

Hospitals and Schools

Hospitals and schools in Manchuria must be independent of the South Manchuria Railway. For the people have often considered these institutions of imperialism and refuse to have anything to do with them. When these are separated and made independent institutions we shall be able to make the people realize our goodness so that they will be thankful to us. . . . But in establishing schools emphasis should be laid on normal schools for men and women. Through these in educational work we may build up a substantial good-will among the people towards Japan. This is our first principle of cultural structure.

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

HOWARD D. NORRIS

River Lane,
Westport,
Conn.

June 30th, 1939.

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

My Dear Mr. Roosevelt:

There is enclosed a pamphlet entitled the "Tanaka Memorial". Attached to this pamphlet is an outline of the history of the Memorial. Due to the nature of this document it is, of course, impossible to secure any direct evidence that it is an official Japanese government document. Its authenticity is denied by the Japanese Government. However, the acts of their military forces in China, starting in 1931 and being carried on up to the present, seem to prove its authenticity. A study of the life of Baron Tanaka definitely proves that both before and after being appointed premier he was an advocate of a strong positive policy towards China. This fact is also substantiated in the Hon. H. L. Stimson's book on the Far Eastern Crisis.

Since my return from China I have followed the attempts of the administration to effect a change in our neutrality laws which would enable our government to take positive action to further our national security.

If the administration made a strong effort to interest the American Legion and Veterans of Foreign Wars, in the revision of our neutrality laws, using the Tanaka document as a basis of substantiating the fact that Japan constitutes a definite menace to our future security, these organizations should give immediate strong support to such revision.

Japan having found her incident not an easy one to solve in China, is trying to force Great Britain to lend a hand in supporting her policy. With conditions in Europe as they are today Great Britain may be forced to make some drastic concessions to Japan. If this should occur the position of the United States certainly would not be strengthened.

This is indeed the time for our country to take a strong attitude and some positive action towards the military group of Japan or be compelled to fight a major war with her in the future.

Japan cannot survive for long without the economic support of the United States.

Sincerely yours,

Howard D. Norris

1121
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

A n outline of the history of the Tanaka Memorial.

There is no direct evidence bearing on the authorship of the Tanaka Memorial, which is reputed to be a document prepared and presented to the Emperor of Japan by the late Premier Tanaka on July 25, 1927, outlining Japan's plans for the conquest of Asia and the world.

The most widely-held version credits the authorship to Tanaka himself or someone closely identified with the military-expansionist group which drew up the plans for conquest.

A Japanese underling connected with the group secured a copy of the Memorial and sold it to interested individuals for a high consideration. This changed hands several times and eventually the Chinese authorities in Manchuria obtained a copy.

The plans in the Memorial were so startling that no publicity was given to it although the information contained therein made a tremendous impression on the authorities.

After the invasion of Manchuria in September of 1931, however, it seemed evident that the plans in the Memorial, whether authentic or not were being carried out. With this apparent confirmation, the Memorial was then given wide publicity throughout China.

Subsequent moves of the Japanese have followed the plans outlined in the Memorial so closely that students of the Far East throughout the world are convinced that, irrespective of whether Tanaka himself was the author, the Memorial embodies the precise plans of the Japanese military-expansionist group for the conquest of Asia and which envisions, inevitable involvement in war with Russia and the United States.

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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

July 17 1939

In reply refer to
Co 793.94/15188 -

My dear Mr. Norris:

By reference from the White House, I acknowledge the receipt of your letter of June 30, 1939, with enclosures, in regard to neutrality legislation and the situation now obtaining in the Far East.

Your courtesy in writing the President and in transmitting a copy of the pamphlet entitled The Tanaka Memorial is greatly appreciated. I may add that the views which you have expressed in your letter will receive the most careful consideration.

Sincerely yours,

For the Secretary of State:

OR
JUL 15 1939 PM

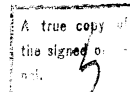
Joseph C. Green,
Chief, Division of Controls.

Mr. Howard D. Norris,

River Lane,

Westport, Connecticut.

:DBW:SS
Co:RVH:ELF 7/14/39



793.94/15188

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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. Huselgen NARS, Date 12-18-75

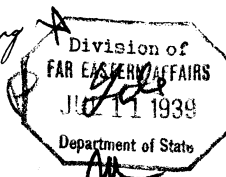


EMBASSY OF THE
UNITED STATES OF AMERICA
Chungking, April 21, 1939.

No. 180.

Subject: Delivery to General Chiang Kai-shek and
to Dr. H. H. Kung of Letters addressed
to them by the President.

*Tel. to Chungking
Dec. 29, 1939.*



RECEIVED
DEPARTMENT OF STATE

1939 JUL 10 PM 2 41

DIVISION OF
COMMUNICATIONS
AND RECORDS

Mr. Tolson	Mr. Clegg	Mr. Glavin	Mr. Ladd	Mr. Nichols	Mr. Rosen	Mr. Tracy	Mr. Carson	Mr. Egan	Mr. Gurnea	Mr. Harbo	Mr. Hendon	Mr. Jones	Mr. Quinn	Mr. Nease	Mr. Gandy



793.94/15189

The Honorable

The Secretary of State,
Washington.

Sir:

793.94/14672 I have the honor to acknowledge the receipt on April 8, 1939, of the Department's instruction No. 153, of February 27, 1939, directing that letters addressed by the President to General Chiang Kai-shek and to Dr. H. H. Kung be transmitted to them by whatever means might seem appropriate.

I immediately wrote to Dr. Kung for an appointment to deliver the President's letter to him and was received on April 11, 1939. I asked him to arrange a similar appointment for me to call on General Chiang Kai-shek, in order that I might deliver the letter addressed to him by the President and Dr. Kung subsequently notified me that he

would

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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 -


would escort me to see General Chiang on April 18, 1939.
This call was made and I delivered the letter.

While interesting conversations took place at both visits and the transmission of the autographed letters from the President enhanced the intimacy of the Embassy with the officials in question, the only remarks that it seems desirable to report in this despatch were made by General Chiang.

The first of these observations was in reply to an observation made by me, to the effect that if General Chiang had any comment to make on the present situation of China I should be glad to report it to my Government. The General said that his views on this subject were precisely similar to those set forth in the message that he had asked Ambassador Johnson to convey to the President when he departed on leave in December, 1938.

The second remark was General Chiang's earnest request that I ask the Ambassador to return to China as soon as possible. In view of the fact that the Ambassador intends to leave the United States in a few days to return to his post, I have not deemed it necessary to repeat this request to him by telegraph.

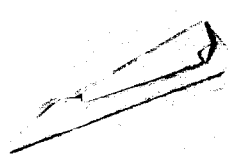
Respectfully yours,


Willys R. Peck,
Chargé d'Affaires ad interim.

X
Original and two copies to Department
Copy to Peiping

800.1

WRP:MCL



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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 19, 1939

Tsinan's despatch no. 93 of June 8, amplifying earlier telegrams, reports that in early June heavily reinforced Japanese forces undertook a large-scale campaign to crush 40,000 Chinese troops and guerrillas under Yu Haueh-chung in mountainous southern Shantung, whose threatened activities have rendered the situation increasingly precarious for the Japanese; that the Chinese forces, though making it costly for the Japanese, would be forced to retreat; and that passenger trains between Tientsin and Tsinan were preceded by armored trains for the first time in several months.

793.94/15190

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

No. 93.

AMERICAN CONSULATE,
Tainan, China, June 8, 1939.

SUBJECT: MILITARY SITUATION.



The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to refer to this Consulate's telegram no. 25, May 16, 9 p.m., reporting the despatch of Japanese reinforcements, alleged to number 25,000 fresh troops, to the Shantung area, and to inform the Embassy that the Japanese Army Headquarters in Tainan have today announced that a concerted attack on Chinese military and guerrilla concentrations in southern Shantung was launched on June 3rd. The statement reads, in translation, as follows:

"Having sustained a crushing defeat at Haichow, the troops of Yu Hsueh-chung retreated to the vicinity of Chühsien and Ichowfu to cooperate with the bogus Governor of Shantung, Shen Hung-lieh (Headquarters at Tung Li Tien, about 40 kilometers northwest of Ichui). At the end of May military activities were discovered among the 113th and 114th Divisions of the 51st Army Corps under the command of Yu Hsueh-chung (Headquarters at Kaohu, 30 kilometers east of Mengyin) in the mountainous districts northwest of Ichowfu, the 111th and 112th Divisions of the 57th Army Corps under the command of Miao Cheng-lin at Chühsien, and the newly organized 4th Division (Commander Wu Hua-wen) and also the 69th Guerrilla Force in the T'ai-shan range of mountains. These amount altogether to 30,000 people (sic). The Japanese have determined to eliminate

them

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- 2 -

them and opened attacks on the morning of June 3rd. The crack units of Japanese garrisons along the Kiaotsai Railway, the Japanese garrison at Yenchowfu and the Japanese garrisons at T'anch'eng and Hsin An Chen will converge upon the enemies at Mengyin and Ichowfu."

As the Embassy is aware, Yenchow (兗州) is on the Tsinpu Railway, Hsinanachen (新安鎮) is on the Lunghai line, just beyond the Shantung border in Kiangsu, while T'anch'eng (鄭城) is some 15 miles north of that place, in Shantung. The number of Chinese troops and guerrillas in the Mengyin-Ichowfu area is believed to exceed 30,000 men; the four divisions of the 51st and 57th Armies alone, if at full strength, would total 40,000 men.

The Meng Shan range of mountains afford natural advantages for defense and previous Japanese attacks on the positions held therein by General Yu Hsueh-chung's forces have been unsuccessful and costly (see Consulate's telegram no. 19, April 28, 5 p.m.). Not only have previous Japanese attacks failed to dislodge General Yu's troops, but the latter have apparently been augmented by two divisions of the 57th Army, a part of the newly organized 4th Division (certain units of which participated in the attack on Tsinan on May 16th) and the so-called 69th Guerrilla Force. It is believed that this concentration of Chinese forces, the arrival on the scene of a Member of the National Defense Council (see Consulate's telegram no. 30, May 31, 5 p.m.) and rumors of an impending general Chinese offensive against the garrisons along the Kiaotsai Railway (see Consulate's telegram no. 22, May 10, 10 a.m.) rendered further delay on the part of the Japanese military too hazardous to be risked. Hence the attack launched June 3rd, which had only awaited the arrival of Japanese reinforcements.

It

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

-3-

It does not appear that the Chinese military-guerrilla units in southern Shantung can long withstand a concerted Japanese onslaught, being isolated from any direct or reliable source of supply, and Chinese tactics will probably be to make the Japanese pay as dearly as possible before retreating, possibly into Honan. However, retreat may be difficult or impossible should the Japanese succeed in completing what appears to be a maneuver to encircle the area of concentration and assuming that sufficient Japanese troops are employed for the purpose.

Heavy fighting between a part of the Chinese 4th Division, commanded by Ho Sau-yuan (何思源), former Commissioner of Education for Shantung, and Japanese troops is reported to have occurred on the border of Chanhwa and Hweimin hsien in northeastern Shantung on June 2nd and 3rd. The fact that informant, a Chinese traveler from that district, was frank in stating Chinese casualties totaled 700 to 800 lends credence to the report.

Some idea of the seriousness with which the Japanese viewed the situation which obtained in Tsinan on May 16-17, as reported in the Consulate's despatch no. 83, May 24, 1939, file 800, and telegrams referred to therein, may be gathered from the fact that, it has now been learned, all able-bodied Japanese civilians were mobilized for possible use in defending the city pending the arrival of reinforcements.

A considerable Japanese force is understood to be concentrated at Tehchow, on the Tsinpu line on the northern Shantung border, but this is believed to be in preparation for offensive action in Hopeh Province. Passenger trains between Tientsin and Tsinan are now preceded by armored

trains

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

- 4 -

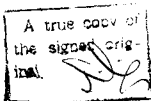
trains for the first time in several months.

Respectfully yours,

Carl O. Hawthorne,
American Vice Consul.

800
COH/KCC

Original to Embassy, Peiping.
5 copies to Department of State,
Copies to Embassies, Chungking and Tokyo,
Copies to Consular offices, Tientsin and Tsingtao.



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

TELEGRAM RECEIVED

JR

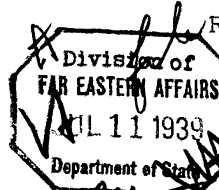
PLAIN

FROM Chungking via N. R.

Dated July 10, 1939

Rec'd 1 a.m., 11th.

Secretary of State,
Washington.



436, July 10, 3 p.m.

Following is full text of General Chiang Kai Shek message to foreign governments and peoples on the second anniversary of hostilities which was broadcast by Madame Chiang on July 8.

"Today China stands on the threshold of the third year of the war of resistance against Japanese aggression. On behalf of the people of China, I wish to take this occasion to convey our sentiments and hope to the governments and peoples of all friendly powers.

Japanese policy as formulated by her militarists is that of world conquest. To realize her wild ambitions, the first step is to aim at the subjugation of China.

Prior to the outbreak of the Sino-Japanese hostilities, the world did not fully realize the significance of Japan's policy. The developments of the last two years, however, have revealed only too clearly its sinister designs. No one can deny that the present chaotic state of international affairs, resulting in the undermining of the very foundations of law and order, is directly

traceable

793.94/15191

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JUL 13 1939

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

-2- #436, July 10, 3 p.m., from Chungking.

traceable to Japanese military occupation eight years ago of our northeastern provinces.

It will be recalled that Japan's policy of the so-called 'new order in East Asia' was publicly announced last December by Konoye, Japanese Premier at that time. Since then, events in the Far East have shown beyond doubt that the aim of the Japanese militarist is to make Japan the mistress of the Pacific by dominating China on the one hand, and eliminating European and American interests from Asia on the other hand. Fully aware of this, our people have not hesitated to make untold sacrifices of lives and property in order to defend our freedom and independence, and we will continue our armed resistance until our national existence is assured, and peace and order restored in this part of the world.

Since the great war, there have been three great declarations of solemn international obligation, namely, the Covenant of the League of Nations, the Kellogg Pact and the Nine Power Treaty. The object of these treaties is the pacific settlement of disputes between nations, and the maintenance of world peace and order. I should like, with your permission, to call attention to the Nine Power Treaty, which was sponsored by the United States of America, and to which both China and Japan are parties

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

-3- #436, July 10, 3 p.m., from Chungking.

parties. The underlying principle of this treaty is, in the words of the preamble, 'to stabilize conditions in the Far East, to safeguard the rights and interests of China, and to promote intercourse between China and the other powers upon the basis of equality of opportunity.'

Now, what the Japanese are trying to do in China is to substitute for this sound and just principle, what they choose to call the 'new order in East Asia'. By the establishment of this 'new order in East Asia' Japan seeks to destroy the validity of all treaties. We are glad, however, to note that those friendly powers who are parties to these international agreements have not only consistently respected them, but have also repeatedly condemned their violation on the part of Japan.

In carrying out their scheme, the Japanese militarists have recently brought pressure to bear upon certain countries in the hope of compelling them to act in accordance with Japanese dictates. Their plan is to break up the united front of the powers by dealing with one of them at a time. Foreign nationals in China have been subjected to inhuman and disgraceful treatment at the hands of the Japanese. They have been robbed of their property

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

-4- #436, July 10, 3 p.m., from Chungking.

property, and deprived of their freedom of movement. Even their religious, cultural and commercial establishments have been destroyed by indiscriminate bombing. All this is meant to be a challenge to the west. Our resistance during the last two years has, however, so exhausted the enemy that their threats will not, I am sure, have any effect upon the policy of the democratic powers to uphold justice and the observance of treaties.

I wish to remind the world that we Chinese have been a peace-loving people for over five thousand years, and I firmly believe our four hundred and fifty million people still have something substantial to offer toward human progress. True, China is weak from a military point of view, but such is our faith in the ultimate triumph of right over injustice that we are not afraid of brute force. But we do expect from the signatories of the various treaties the honorable discharge of the responsibility and fulfillment of their obligations.

In this complex world, peace is indivisible. Those countries which are eager to preserve peace must now unite in a common front against aggressing. Those countries which are reluctant to face realities by adopting an attitude of indifference or a policy of appeasement will only encourage aggression. China has experienced six years of frugal effort at conciliation,

but

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

-5- #426, July 10, 3 p.m., from Chungking.

but, finally, found no other way but to rest. We found that no amount of reasonable concession on our part could satisfy the aggressor, who aims at holding one-fourth of the earth's population in bondage. Recalling these painful experiences, I hope the world will take warning and will watch Japanese actions accordingly.

I do not doubt that they the signatures of the League Covenant and the Nine Power Treaty acted firmly against the peace-breaking state, the present unstable condition of world affairs would never have come into existence. It is not too late for the friendly powers with interests in the Far East to apply economic sanctions against Japan. If this opportunity is lost, no words will adequately describe the great international calamity that is in the making. And while it is impossible to palliate the crimes of the aggressor nation it would be equally difficult for the friendly powers to escape the just judgment of posterity for their inaction at a time of great crisis.

All the sympathy and assistance given by the governments and people of various countries to China are gratefully remembered by us. Since we have been fighting not merely for our own existence, but, also in
the

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

-6- #436, July 10, 3 p.m., from Chungking.

the common interests of other nations, we feel justified in appealing to the powers to apply economic sanctions without delay. You are no doubt aware that the sale of supplies to Japan, such as gasoline, iron and steel, enables her to continue her cold-blooded mass murders of innocent Chinese civilians, and to menace foreign lives and property in China. Should effective economic sanctions be immediately applied against Japan, the time required for putting a check to aggression on this continent will be considerably shortened.

Japan's invasion of China is entering its third year and is becoming increasingly vicious. It has now boldly assumed the added form of an anti-foreign movement calculated to drive out all Occidental rights and interests from Asia. In view of the circumstances, the powers, if only in defense of their own rights, should take more positive actions. China is determined to carry on her resistance indefinitely. She will not disappoint those well wishers who have given her their generous assistance both morally and materially. The world is now so interdependent that China cannot get along without the cooperation of the west, and the west cannot get along without China. She is today discharging her obligations in the cause of international justice, and she expects that the peace loving nations will each contribute an equal share toward that end.

In

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

-7- 436, July 10, 3 p.m., from Chungking.

In short, to restore peace and order in the Far East, we must do everything we can to frustrate the Japanese plan of establishing a 'new order in East Asia', which, in its final analysis, means the domination of Asia and the closing of the 'open door' to the west. Only after this is accomplished can we hope to see the day when the nations of the Pacific may live in peace and harmony, and do their part toward the advancement of civilization."

Repeated to Peiping. Peiping mail to Tokyo.

JOHNSON

RR

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

TELEGRAM RECEIVED

AC

GRAY

FROM Peiping via N.R.

Dated July 11, 1939

Rec'd 8:10 a.m.

Secretary of State

Washington



338, July 11, 3 p.m.

Shanghai's 576, July 8, 4 p.m., in regard to the
endangering of the USS TUTUILA as a result of Japan-
ese bombing at Chungking.

Written representations made to Japanese Embassy
here today.

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

SMYTH

RR

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FILED
JUL 13 1939

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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

[Handwritten initials]
July 18, 1939.

Peiping's despatch no. 2089 of June 9 encloses a copy of an editorial from the Peking Chronicle and cites other press articles reporting the conclusion that north China's development is to be charted and planned in Japan for the benefit of Japan alone with special emphasis on her war needs and with the exclusion so far as possible of other powers; and that efforts are being made to obtain Japanese capital for this development.

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[Handwritten initials]
FR:Penfield:JPS

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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

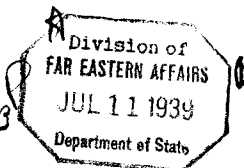
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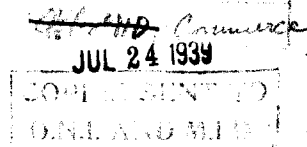
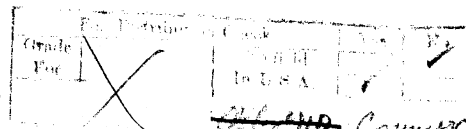
Peiping, June 9, 1939

Subject: Japanese Development Plans in
North China

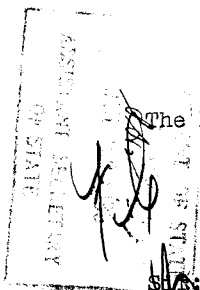
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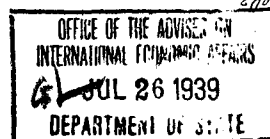
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DEPARTMENT OF STATE
1939 JUL 10 PM 3 07



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FILE-C.S.



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



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JUL 24 1939

I have the honor to enclose, as of possible interest to the Department, a copy of an editorial which appeared in the June 1 issue of the Peking Chronicle. In as much as this newspaper is Japanese controlled, its editorials show a definite Japanese bias and statements therein, unless confirmed, must generally be accepted with reserve.

Nevertheless, the editorial is extremely interesting, especially the first paragraph. The naive admission that North China's development is charted and planned.

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

- 2 -

planned in Japan, that the funds for such development are obtained in Japan, and that the progress of such development is reported directly and immediately to Japan, is indicative of the major role played by the Japanese and of the secondary part played by the Chinese. With this evidence of the absolutism of Japanese control in North China, it would be difficult to gainsay that the Japanese control is purposed for ultimate benefit of the Japanese. Moreover, the admission emphasizes the scant authority of the Chinese in the heralded reconstruction of North China.

Accordingly, the first intimation that still another Sino-Japanese company is to be formed, for the purpose of exploiting one or another of North China's industrial or natural resources, comes generally from a Japanese newspaper or a Japanese news agency (under a Japanese city date line).

A recent article in the Manchuria Daily News (May 19, 1939) intimated that a form of capital control is to be instituted in North China, and the projected measures are reportedly to be based on the Manchu Special Capital Control Law, with certain modifications to meet actual conditions in North China. The article stated in part:

"These measures of control will include the following items:

"1. Industrial undertakings, which Japan and Manchukuo need from North China, due to the Japan-Manchukuo material mobilization plan. They include output of iron, metals, coal, cotton, wool and pulp.

"2. Enterprises concerning the improvements of exports from North China, particularly those

relating

- 3 -

relating to 12 kinds of goods upon which foreign exchange is concentrated.

"3. Undertakings urgently necessary for military purposes; namely factories for manufacturing parts of machines and instruments as well as repair shops, except those for manufacturing finishing machines and heavy industry.

"4. Special enterprises like the cement industry, which seem necessary in North China.

"5. Undertakings for expansion of general industry, such as generation of electric power, manufacture of gunpowder and explosives."

It was then stated that the "Provisional Government" will negotiate with the Japanese Government in regard to the question of raising capital and collecting materials for the above-mentioned enterprises. It was also stated that a survey of present enterprises in North China is being, or will be, carried out to determine the urgency of capital investment. In conclusion it was stated that industry for artificial textiles, silk, rayon, knitted goods, glass and ceramics will not be encouraged for the time being, because of lack of urgency.

The information given in the above article reveals the extent to which Japanese control may be expected in North China. A capital control law envisages, in the last analysis, government consent to the organization and continued operation of any one industry. Government consent in North China implies, without the slightest question of doubt, the approval of the Japanese Government, operating through one of the numerous boards.

An interesting feature is the emphasis on industries in North China in which Japanese economy is interested, either to supply needed materials and products or as

possibly

- 4 -

possibly productive of foreign exchange, and the lack of encouragement to industries competing with those in Japan.

Under the heading "Japanese Capital Wanted" an article in The Japan Chronicle of May 25, 1939, also discussed the question of capital for the development of industries in North China. It was stated that there is an increasing demand for Japanese capital in North China industries and that the North China authorities, who are exercising a system of wartime economic control similar to that in Japan, are seeking Japanese capital for the so-called crisis industries as distinguished from peacetime industries, which are to be restricted somewhat. The enumeration of industries which are desirous of capital for expansion and development was as follows:

- a) industries with a direct bearing on the hostilities;
- b) industries producing articles which cannot be easily finished and shipped from Japan;
- c) those connected with transportation, aviation, harbor, mining and similar enterprises;
- d) those which are liable to be developed by interests of Third Powers if Japanese industrialists do not step in first.

It was further stated that the North China authorities will extend special facilities to those Japanese industrialists who have been adversely affected by the existence of hostilities and who are desirous of entering upon new occupations upon the continent. To preclude friction with Japanese industries the authorities desire that such expansion of and shifts in industrial enterprises be arranged through the various industrial associations rather than through individual effort.

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

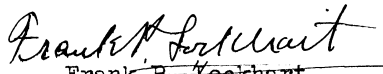
- 5 -

A perusal of the industries for which Japanese capital is desired demonstrates that, from the Japanese point of view at least, North China is destined to figure largely in the Japanese economic system. From the foreign point of view, item d) is probably the most interesting as it reveals most definitely that every encouragement will be given to Japanese industry to prevent the entry of non-Japanese enterprises into North China, if Japanese industry can fill the same purpose. It may even be inferred that encouragement will be given to Japanese industry to supplant non-Japanese enterprises already in North China.

Although the mentioned newspaper articles are far from being authoritative statements, they are indicative of the present trend of thought in Japan and in Japanese-controlled territories. In this same connection, it may be stated that it is the rule, rather than the exception, that the Japanese-controlled press speaks of North China as a zone of Japanese exploitation.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

✓
Enclosure:
1/ As stated.

Original and 4 copies to the Department.
Copy to Embassy, Chungking.
Copy to Embassy, Tokyo.

850/860
CSR-JK

ENCLOSURE NO. 1
TO DESPATCH NO. 2089

THE PEKING CHRONICLE, THURSDAY, JUNE 1, 1939.

PEKING PLANS

For two reasons much development news about Peking first appears in Japan. Japanese finance plays a dominant part in chief North China projects today, so at the source of supply will be found first data on policy and plan. Furthermore, leading Japanese papers maintain in Peking large and competent staffs who systematically call on Japanese and Chinese leaders, so are in close touch with day-to-day happenings in the construction world. Time being the very essence of their operations they do not, of course, resort very much to the telephone in their inquiries.

Some important revelations affecting Peking development appear in the latest issue of the Japan Advertiser to reach Peking, having been translated from the Japanese press. Herewith:

As development plans for coal, iron and salt in North China are linked directly to railway and harbor expansion programs, officials of the Peking régime have decided to shelve temporarily the much-debated question of management of harbors, which came to a head recently with the establishment of the North China Railway Company, and to undertake a program of harbor construction immediately, says the *Asahi*.

Existing harbor facilities at Tangku are considered inadequate for the 1940 expansion program, although they may serve for the current year. Officials are therefore considering a plan for the construction of facilities for a loading capacity of 7,500,000 tons during the next four years. The North China Development Company is expected to invest ¥75,000,000 in the project, which will make Tangku the chief port of North China.

A harbor construction office already has been established in the Kochu Koshi (China Development Company), says the journal, and Mr. Takayoshi Takanishi, director of the Osaka public works station of the Home Office, has been made head of its engineering staff.

In the meantime, the North China Salt Industry Company, registered as a Chinese organization, will be established soon at Peking with a capitalization of ¥25,000,000. Formal approval for the company has been given by the China Affairs Board, says the paper, and Mr. Keizo Uchida, a director of Kochu Koshi, left Thursday for Peking in connection with its organization, which may be completed early next month.

Half of the capital in the new company will be provided by the North China Development Company and the rest by Chinese interests. Most of the Chinese shares are expected to be held by private organizations, their exact distribution to be decided after the arrival of Mr. Uchida in Peking.

The company will develop the Changlu salt fields, exporting its products to Japan. The Yungli Chemical Works, which produces soda, now managed by the Japanese army, is expected to be merged ultimately with the salt enterprise.

The newspaper also reports that the Lung-yuen Iron Mining Company will be established with a capital of ¥20,000,000 as an individual firm separate from the iron-manufacturing industry of North China. It will undertake both the mining of ore and the production of iron and steel.

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

TELEGRAM RECEIVED

JR

GRAY



FROM

Tsinanfu via Peiping & N.R.

Dated July 7, 1939

Rec'd 10:55 a.m., 11th.

Secretary of State,

Washington.

July 7, 3 p.m.

Referring to my telegram No. 38, June 20, 5 p.m.,

paragraph two.

One. Reliably informed that following bombing of Tunglitan legitimate Government has for the time being ceased to function. All officials have been dismissed except Li Shu Chun, Commissioner of Civil Affairs; Ho Ssuy, Commissioner of Education and Chang Tsun Lung, Acting Commissioner of Reconstruction who together with Shen Hung Lieh have fled into Mengshan range of mountains.

Two. All Chinese troops in Southern Shantung have been placed under the command of Yu Hsueh Chung.

Sent to Chungking. By mail to Tsingtao.

SMYTH

KLP:WWC

JUL 15 1939

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

RS
JPS
AMH
July 18, 1939.

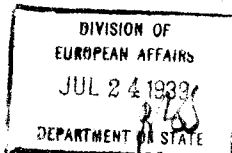
Singapore's despatch 379 of June 2 reports that high French and British army, navy and air officers met in Singapore on June 22 to plan for defense coordination of the forces of the two powers in the Far East. The Singapore Free Press stated that "although the United States will not be represented at the Singapore conference, it is expected that close contact will be maintained."

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JPS
FE:Penfield: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. Christensen NARS, Date 12-18-75

NO. 379



AMERICAN CONSULATE GENERAL
Singapore, S.S., June 22, 1939.

AIR MAIL

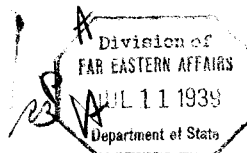
SUBJECT:
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Franco-British Defense Conference
at Singapore.

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JUL 10 1939
THE HONORABLE

ONE MID
THE SECRETARY OF STATE,

WASHINGTON.



SIR:

I have the honor to report that a Franco-British Defense Conference opened in Singapore today under the presidency of Admiral Sir Percy Noble, Commander-in-Chief of the British Naval Forces in the Far East. The delegates to the Conference comprise representatives of the Navies, Armies and Air Forces in the Far East of France and Great Britain. A list of the delegates is herewith transmitted.

(Enclosure no. 1).

The purpose of the Conference is to plan for co-ordination of action between the armed forces of these two Powers in the event of hostilities in the Orient. According to a British Official Wireless message from London, discussions will relate strictly to defense problems, exclusively Anglo-French, and will not touch upon political questions involving other powers which have interests in the Far East.

It is reported in the press that subcommittees of the three Services will discuss their own problems separately after which the full Conference will correlate the conclusions of the subcommittees.

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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

AIR MAIL

-2-

The press further states that Admiral Noble will become supreme commander of the British and French Forces in the Far East in the event of war.

The Singapore Free Press in its issue of June 21, 1939 referred to American interest in the proceedings, in these terms:

"Although the United States will not be represented at the Singapore conference, it is expected close contact will be maintained. The sobering effect on the world situation of the sudden return of the United States Fleet from the Atlantic to the Pacific a few weeks ago was proof of the tremendous influence wielded by the United States in the Pacific. It has been stated officially that the United States Fleet is to remain in the Pacific for at least a year."

Unquestionably, there is nothing which the French and British in the Far East desire more than American cooperation and assistance.

At the initial session, news was received that the Japanese had ordered foreign warships to evacuate Swatow by 1 p.m. today and that the one British and one American destroyer there had refused to comply. This afternoon's Straits Times states: "It is not known whether Japan's China coast blockade was discussed this morning, but in view of the apparent seriousness of the situation, it probably was."

The linking of the United States with Great Britain in the ultimatum brought hope that the incident will lead to a fusion of effort against Japan.

It may be significant that the "Swatow incident" occurred during the absence from the China coast of the cruisers Lamotte Picquet, French flagship, and "Kent",

British

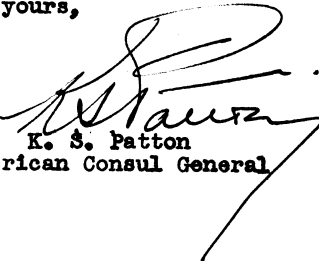
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

AIR MAIL

-3-

British flagship, which are now in Singapore for the
Conference.

Respectfully yours,


K. S. Patton
American Consul General

Enclosure:

1. List of delegates.

Distribution:

Original and four copies to the Department.
One copy to the Embassy, London.

File no. 820/830
KSP:tma

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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. 379 dated June 22, 1939
from K. S. Patton, American Consul General at Singapore, S.S.,
on the subject "Franco-British Defense Conference at Singapore."

LIST OF DELEGATES TO ANGLO-FRENCH DEFENSE CONFERENCE
WHICH OPENED AT SINGAPORE JUNE 22, 1939.

Naval

British:

Admiral Sir Percy Noble, Commander-in-Chief of British
Naval Forces in the Far East.
Commodore R. R. McGrigor, Chief of Staff to C.-in-C., China.
Lieut.-Commander P. H. Matheson, Flag Lieutenant to C.-in-C.
Paymaster Capt. W. McBride, Secretary to C.-in-C.
Commander J. Jefferies, Staff Officer (Operations) to C.-in-C.
Commander L. E. Porter, Staff Officer (Intelligence) to
C.-in-C.
Paymaster Lieut. G. B. Teale, Secretary to the Chief of
Staff to C.-in-C.
Lieut. Colonel A. N. Williams, Fleet Royal Marine Officer,
China, (liaison officer for Army subcommittee).
Lieutenant I. R. Sarel, Fleet Air Arm Officer, China,
(liaison officer for Royal Air Force subcommittee).
Captain E. L. Berthon, Captain-in-Charge, Ceylon, (repre-
sentative of the Commander-in-Chief, East Indies Station).
Commodore T. B. Drew, Commodore, Malaya.

French:

Vice-Admiral J. Decoux, Commander-in-Chief of French Naval
Forces in the Far East.
Capitaine de Fregate Jouan, Chief of Staff to the C.-in-C.
Lieut. de Vaisseau B. du Boucheron, Flag Lieutenant to
the C.-in-C.
Lieutenant de Vaisseau Boudoin.

Military

British:

Major-General W. G. S. Dobbie, G.O.C., Malaya.
Brigadier M. A. Studd, A.A. and Q.M.G. in charge of
Administration, Malaya.
Colonel E. G. Miles, G.S.O. I, Malaya.
Major F. H. Vinden, G.S.O. II (Intelligence), Malaya.
Major H. C. Phillips, liaison officer for the naval sub-
committee.
Major G. A. Palmer, liaison officer for the Royal Air Force
subcommittee.
Major-General A. E. Grasett, G.O.C., British Troops in China.
Major G. R. Way, General Staff Officer, China.
Major-General D. K. McLeod, G.O.C., Burma.
Lieutenant E. D. Wardleworth, aide-de-camp to the G.O.C.,
Burma.
Colonel G. B. Henderson, Deputy Director of Military
Operations and Intelligence, India.

French:

Lieutenant-General M. Martin, Commander-in-Chief of the
French Army in Indo-China.
Colonel Lacaille, Chief of Staff to the C.-in-C.
Captain E. Fleurant, General Staff Officer.
Captain Detre, General Staff Officer.
Lieutenant A. Quoniam, aide-de-camp to the C.-in-C.

Air

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

-2-

Air Force

British:

Air Marshal Philip Bennet Joubert de la Ferte, Air Officer
Commanding, Air Forces in India.
Air Vice-Marshal J. T. Babington, Air Officer Commanding,
Royal Air Force, Far East.
Group Captain J. O. Andrews, Senior Air Staff Officer,
Far East.
Group Captain A. G. Bishop, Air Adviser to the Government
of Burma and Air Attache to Siam.
Wing Commander F. Woolley, Staff Officer (Intelligence),
Far East.
Wing Commander F. N. Trinder, Staff Officer (Equipment).
Squadron Leader F. E. Watts, liaison officer for naval
subcommittee.
Squadron Leader S. J. Marchbank, liaison officer for
military subcommittee.
Reserve Captain Alcan (French) of Singapore, interpreter
for air subcommittee.

French:

Colonel Deveze, Senior French Air Staff Officer, Far East.
Captain Lamboley, French Air Staff, Far East.

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

TELEGRAM RECEIVED

JR

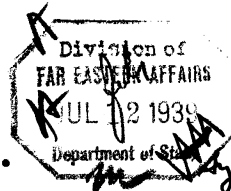
GRAY

FROM Foochow via N. R.

Dated July 11, 1939

Rec'd 3:05 p.m.

Secretary of State,
Washington.



RECEIVED TO
O.N.I. AND W.D.

672

July 11, 7 p.m.

793.94
Between 3 and 4 o'clock this afternoon six Japanese
planes twice raided the Changmen forts, dropping about
12 bombs each time. No information on the effectiveness
of the attacks is yet available. The air alarm here
has sounded seven times today but no planes have appeared
over the city.

Sent to Peiping, repeated to Chungking, Shanghai.

WARD

CSB

793.94/15196

F/FG

JUL 15 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

Copies sent to London, Paris, Tokyo
DEPARTMENT OF STATE

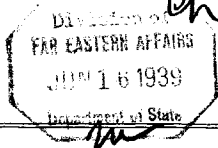
Memorandum of Conversation

DATE: February 3, 1939

SUBJECT: Possible taking of retaliatory measures against Japan.

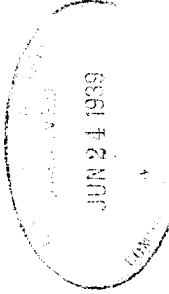
PARTICIPANTS: The British Chargé d'Affaires,
Mr. V.A.L. Mallet;
the Under Secretary.

COPIES TO: S, PA/D, Eu, PA/H, FE



793.94

The British Chargé d'Affaires called to see me this morning. Mr. Mallet was instructed by his Government to discuss with me the question of the possible taking of retaliatory measures against Japan dealt with in Mr. Mallet's aide-mémoire of January 25. Mr. Mallet was instructed to give me to read the telegram sent the British Foreign Office by Sir Robert Craigie, the British Ambassador in Tokyo, in which the latter differed in some of the considerations advanced to the United States Government by the British Foreign Office. Upon reading the telegram which Mr. Mallet gave me I told him that the contents of this telegram had already been communicated to the Department by Ambassador Grew and that we were consequently familiar with the views expressed. Mr. Mallet



793.94/15197
FILED
F/LEH

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

15654

-2-

replied that his Foreign Office knew that Sir Robert Craigie had showed this telegram to Mr. Grew but they had not been certain whether Mr. Grew had reported the contents thereof fully to the Department.

I told Mr. Mallet that he might inform his Government that very full consideration had been given to this question by the Secretary of State himself and that this Government had reached the conclusion that for the time being its point of view was more or less that expressed by the British Government in its aide-mémoire of January 25.

I said that this Government would not consider for the time being undertaking retaliatory measures against Japan. I stated that if as the time passed we desired to consider the matter further, we would inform the British Government accordingly and discuss further with them some of the issues involved.

JW

U:SW:DMK:MW

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

G-2 Digest of Information
 Sino-Japanese Situation
 June 16-30, 1939.

DECLASSIFIED
 E.O. 11652, Sec. 3(E) and 5(D) or (E)
 OSD letter, May 3, 1972
 BY 88 NARS Date 3/9/73

G-2
 TJB

1. MILITARY.

a. During the last fortnight military operations in China have been overshadowed by political and diplomatic events.

b. Serious fighting on Chinese soil has been confined to Shansi and Shantung. In the former province the much fought-over corridor between the Tung-tu Railway and the Honan border has been the scene of a renewed Japanese push which has reached the bank of the Yellow River at Yuanchu. In southeast Shantung the Japanese have completed their clearing operations and have dispersed the Chinese 51st and 57th Corps, totalling some 30,000 men. Chinese casualties apparently have been light in this area and it is still uncertain as to whether or not the Japanese are consolidating their hold there. Heavy Japanese reinforcements, estimated variously at from 25,000 to 100,000, have flowed into North China through Tsingtao. It is probable that some of these troops have been engaged in the Shantung operations.

c. The Japanese have intensified their pressure on the east coast seaports still remaining in Chinese hands. On June 21 a landing was effected in the vicinity of Swatow, the town was quickly captured after only a show of resistance and the invaders pushed on to Chaoan, capturing the short railway ending at that city. The Japanese force is estimated to be at least a reinforced brigade and possibly a division.

On June 24 Japanese naval forces landed on Chusan (Chowshan) island off Ningpo and are consolidating their hold there, either preparatory to a close blockade of Ningpo or to actual operations against that city.

On June 27 the Japanese announced that operations impended against Foochow and Mentschow (Chekiang). On that date a landing was made at Sharps Peak, which dominates the entrance to the Min River, on which Foochow is situated, and on the 29th close blockades of both ports were instituted.

Comment: These actions are believed to be intended primarily not so much for the purpose of shutting off the trickle of munitions through the ports involved as of controlling the customs there and of paralyzing the export trade which have netted the Chinese National Government substantial revenues and foreign exchange.

CONFIDENTIAL

793.94/15193

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6239
 JUL 12 1939

d. Beginning on June 24, Japanese press reports were published to the effect that clashes had occurred in the Buir Nor (Lake Bor) region on the Manchoukuo-Mongolian border as the result of "Mongolian" aggression from June 17. Aviation was primarily involved, with major encounters reported on June 22, 24, and 27. Japanese claims of losses inflicted since the start of the fighting in May finally aggregated more than 250 planes while admitted losses of "Manchurian" planes were less than 20. On June 26 the Soviet press agency "Tass" began to take notice of events in this region in a series of communiques. While substantially agreeing with the Japanese version as to the dates of the encounters between ground and air forces, as was to be expected, there was wide variance in the statement of their outcome. "Mongolian" losses were given as about 30 while claims were advanced to the destruction of some 90 "Manchurian" planes. The tone of the Tass reports was noticeably restrained.

Comment: Reports of losses inflicted by both sides are probably exaggerated, while the Japanese admissions of losses probably are minimized. It is noteworthy that the Japanese took the lead in publicizing the clashes, while the Russians seem to have desired to ignore them. Aside from the obvious purpose of applying pressure to the Anglo-Russian treaty negotiations, this propagandizing of the fighting by the Japanese is also probably intended for home consumption, reminding the public that there exists a threat to the security of Manchoukuo and perhaps urging further rapprochement toward the Axis.

2. MISCELLANEOUS.

a. On June 24 announcement was made in Moscow of the conclusion of a new Sino-Soviet trade agreement, involving reciprocity and most favored nation treatment. Presumably the treaty will facilitate the supply by Russia of China's war effort. Active negotiations on this treaty have been in progress at least since March when Sun Fo flew to Moscow for this special purpose.

b. On the same date the Provisional Government notified American oil concerns that certain of their storage tank lots on North China railroads would be taken over as the space was needed for the expansion of railway facilities. It is not yet clear whether this is a form of official blackmail or whether it foreshadows the taking over of the oil distribution system in North China by the Japanese and their agents.

c. According to reliable information Wang Ching-wei arrived in Peiping on June 26. It was understood that he is the spearhead of another effort, expected to take form in the next three months, to establish a Kuomintang-affiliated Central Government acceptable to the Japanese. It is believed that the collaboration of Wu Pei-fu is being sought once again for this project. Foreign observers on the spot foresee little likelihood that this project will be attended with substantial success.

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

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d. According to press reports, on June 23 the Emperor of Japan was petitioned by Mitsuru Toyama, head of the Black Dragon Society, to "obtain belligerent rights" for Japan's armed forces in China, that is, to recognize the "China Incident" as a war. The petition to the Throne, an occurrence so rare as to be sensational in Japan, was said to have been signed also by Kanichi Otake, Yujiro Miyake and Kunitaro Honda, all persons of prominence. To the Japanese this movement must signify the imperious determination of their continental expansionists that Japan must carry on the war at all costs to a victorious conclusion.

e. Subsequent to the slump in foreign exchange value of the Chinese National Yuan a rapid flight from that currency developed. Strenuous efforts were made in Chinese financial centers to convert Yuan into foreign exchange, bullion or tangible property, with a resulting continued weakness in the national currency. In consequence on June 21 the Chinese National Government decreed a three-day bank holiday to be followed by the reopening of Chinese banks under regulations which, in effect, prohibited any large scale withdrawals of deposits. These regulations, characterized as temporary, are still in effect.

Comment: Chinese finance and currency are now in their first serious difficulties since the beginning of the war. Whether intended for that purpose or not, the Japanese pressure on the British at Tientsin probably will hinder the latter nation from any increase in its support of the Yuan.

f. The International Settlements and Foreign Concessions.

(1) The situation in Shanghai has marked time, apparently pending developments elsewhere.

(2) The Japanese blockade of Kiangsu (Amoy) has continued to paralyze business there and to cause great inconvenience to the local community. No effective efforts to reach a settlement seem to have been initiated by either side.

(3) Subsequent to the capture of Swatow the Japanese put into effect certain restrictions which in effect deny the port to foreign and in particular to British merchant shipping.

(4) Tientsin.

(a) The Tientsin blockade has continued, with complete paralysis of business in the concessions and with appreciable hindrance to the supply of perishable foods. Up to June 27 discrimination against British subjects seeking to enter or leave the concessions was marked and every opportunity was utilized to humiliate and heap indignities on them. On the date named the Japanese announced that the discrimination would cease and simultaneously announcement was made that the Tientsin

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

question would be negotiated at Tokyo with the British Ambassador, the Japanese Ministry of Foreign Affairs, and representatives of the local Japanese and British authorities at Tientsin participating. It is reliably reported that the scope of the negotiations will include a broad consideration of the various aspects of "neutrality" of the concessions, including their use as a financial base by the Chinese National Government.

(b) Observation of trends in the Tientsin blockade points to a definite cleavage among the Japanese authorities. The action seems to have been initiated and maintained by the so-called "young officers" group, involving local commanders in China, influential personages such as General Doihara and probably even members of the Cabinet, such as Generals Itagaki and Koiso. The blockade has been deplored and perhaps opposed by such commanders in China as Generals Horra and Sugiyama, by the Japanese diplomatic representatives on the spot and by the Japanese Foreign Office. This second group is characterized by apprehension of the possible consequences resulting from provoking Great Britain or alienating the United States and by a belief that the real objective at Tientsin is the hampering or elimination of British financial support to the Chinese Government.

(c) Participation in the Tientsin affair by Chinese agencies under Japanese supervision has been manifested in two ways. A widespread series of anti-British mass meetings has been fomented in those large cities, such as Peiping, Paoitingfu and Shihchiachwang, where the writ of the Provisional Government runs. These meetings have been reported uniformly as unenthusiastic and unsuccessful, but some observers believe that, if persisted in, they will achieve some effectiveness and perhaps be transmuted into a general anti-occidentalism. On June 21 the Provisional Government interjected itself formally into the Tientsin situation by presenting to the British and French embassies at Peiping demands for action at Tientsin, generally along the lines of those published by the Japanese press. These demands have been ignored to date.

(d) American connection with the crisis has been limited to the attitude formulated by Secretary Hull on June 19 when he stated in effect that the original issue at Tientsin did not concern the United States but that developments arising from it might well involve this country. This viewpoint has been made known to appropriate Japanese authorities in various parts of the Far East. In addition Japanese attention has been drawn to the effect which excesses at Tientsin exert on American public opinion.

(e) Comment: The impending Anglo-Japanese conference gives the British considerable assurance that an explosion at Tientsin will be averted, permits them to negotiate with a less radical group in Tokyo than would be the case at Tientsin and gains them time in which to exploit the cleavage in the Japanese Government and to face their

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

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problems in Europe. To achieve this they have, in effect, opened their whole Far Eastern policy for discussion and perhaps revision. All indications point to a prolonged and probably stormy conference, with results problematical.

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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

Memorandum of Conversation

Division of Far Eastern Affairs

STRICTLY CONFIDENTIAL

DATE: June 28, 1939.

SUBJECT: Far Eastern Situation

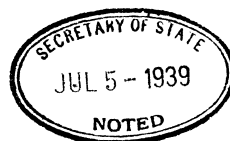
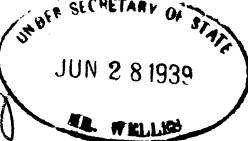
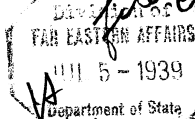
PARTICIPANTS:

Mr. Hallett Abend, New York Times Correspondent
in China,

and

Mr. Hamilton

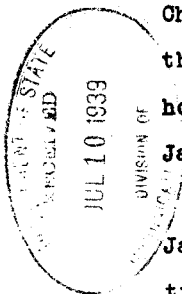
COPIES TO:



Mr. Hallett Abend, New York Times correspondent in China, who is now in this country on leave, called late this morning. He said that he had just come from an hour's conversation with Mr. Suma, Counselor of the Japanese Embassy.

He said that Mr. Suma had said to him that the Japanese Embassy was very much worried about the situation at Shanghai; that the Embassy considered that the Shanghai situation contained more potentialities for serious trouble now than did the Tientsin situation; and that, while conditions at Shanghai were quiet on the surface, the Japanese military there were in a very restive mood. Mr. Abend said that, according to Mr. Suma's statements, the British Ambassador at Tokyo

several



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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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several days ago went to the Japanese Foreign Minister with a white flag, that the British Ambassador told the Japanese Foreign Minister that the British would be prepared to enter into discussions with the Japanese Government in regard to the International Settlement at Shanghai, that the Japanese Foreign Minister replied that he appreciated this readiness of the British to enter into discussions on this subject but that he feared that the indication of British willingness came too late by several months, that the Japanese military groups at Shanghai were very restive, and that the Foreign Minister feared that any agreement reached by the diplomatic authorities of the Japanese and British Governments might not be respected by the Japanese military.

Mr. Abend said that Mr. Suma had asked when and by what means Mr. Abend proposed to return to China. When Mr. Abend replied that he proposed to return by a Canadian Pacific ship and that, although he was home on a furlough of six months, he anticipated that he would have to go back earlier, Mr. Suma urged Mr. Abend, according to Mr. Abend, not to return on a British ship but to take passage on an American or a Japanese vessel. Mr. Abend said that Mr. Suma had commented that a situation might develop at any time in which British ships would not be permitted to call at Shanghai.

When

DECLASSIFIED: E.O. 11652, 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-

When I asked Mr. Abend how much credence he thought might be placed in Mr. Suma's statements Mr. Abend replied that over a period of some ten years Mr. Suma had never misled him.

During the course of the conversation Mr. Abend said that he was still of the opinion that the situation in the Far East had to get worse before it became better and that he was convinced that the Japanese were determined to drive all Occidentals out of China. He also expressed the opinion that in the long run the Japanese would not be successful even should there be no substantial third power interposition.

Mr. Abend said also that in conversations which he had with high Japanese authorities before leaving the Far East the Japanese authorities had commented that Japan had no intention of giving up Hainan Island and that Japan intended to keep the Island.

W. M. H.

FE:MMH: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

July 8 1939

STRICTLY CONFIDENTIAL

To the American Consul General,
 Shanghai, China.

The Secretary of State encloses for the strictly confidential information of the American Consul General a copy of a memorandum of a conversation of June 28, 1939, between an officer of the Department and Mr. Hallett Abend in regard to the Far Eastern situation.

793.94/15199

Enclosure:

Copy of memorandum of
 conversation of June 28
 between Mr. Hamilton
 and Mr. Abend.

EJC
 FE:EDC:JPS
 7-7-39

CR
 JUL 8 1939

JP
 FE
 7/7/39

A true copy of
 the original
 sent.

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

July 8 1939

STRICTLY CONFIDENTIAL

No. 1768

To the American Chargé d'Affaires ad interim,
 Tokyo.

The Secretary of State encloses for the strictly
 confidential information of the American Chargé
 d'Affaires a copy of a memorandum of a conversation
 of June 28, 1939, between an officer of the Department
 and Mr. Hallett Abend in regard to the Far Eastern
 situation.

793.94/15199

Enclosure:

Copy of memorandum of
 conversation of June 28
 between Mr. Hamilton
 and Mr. Abend.

89C
 FE:EC:JPS
 7-7-39

FE

7.5.4.

CR

JUL 8 1939

A true copy of
 the signed origi-
 nal.

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

July 8 1939

STRICTLY CONFIDENTIAL

No. 698

To the American Ambassador,
 Peiping.

The Secretary of State encloses for the strictly confidential information of the American Ambassador a copy of a memorandum of a conversation of June 28, 1939, between an officer of the Department and Mr. Hallett Abend in regard to the Far Eastern situation.

793.94/15199

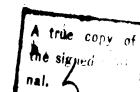
Enclosure:

Copy of memorandum of
 conversation of June 28
 between Mr. Hamilton
 and Mr. Abend.

Copy to Chungking.

FE:EGC:JPS
 7-7-39

JUL 8 1939



F/FG

Handwritten signature/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

TELEGRAM RECEIVED

JR

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

FROM

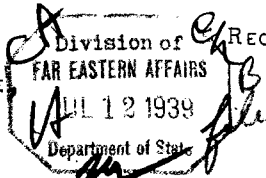
Swatow via N. R.

Dated July 11, 1939

Rec'd 7 p.m.

Secretary of State

Washington.



40, July 11, 9 a.m.

793.94
note
293.101 Swatow

No apparent progress has been made in setting up a civil government for Swatow due in large part to inability to secure the services of an influential Chinese to be puppet mayor. A director has been appointed for the Peace Maintenance Commission whose principal function, inducing local merchants and shopkeepers to resume business, has met with very little success. Sponsored by the Peace Maintenance Commission a mass meeting was held in commemoration of two years of hostilities and to inaugurate a so-called campaign for peace. The tone of the meeting was definitely opposed to the Chinese Central Government and in favor of the policies of Wang Ching Wei.

A Chinese chief of police appointed by the Peace Maintenance Commission is attempting to build up a police force to take over patrolling the city but the maintenance of peace and order still rests with Japanese army sentries posted in various parts of the city. On the whole the

Japanese

793.94/15200

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FILED
JUL 15 1939

DECLASSIFIED: E.O. 11652, 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- #40, July 11, 9 p.m., from Swatow.

Japanese troops have behaved very well and little lawlessness has been reported, but large quantities of furniture removed from Chinese premises have been loaded on ~~tr~~^{transports} for unknown destinations.

Repeated to Chungking, Peiping, Shanghai.

YOUNG

KLP:CSB

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

CONFIDENTIAL

CONFIDENTIALPARAPHRASE

A telegram (no. 40) of July 11, 1939, from the American Consul at Swatow reads substantially as follows:

It does not seem that there has been any progress toward the establishment in Swatow of a civil government. This is due to a great extent to inability to induce an influential Chinese to accept the position of puppet mayor. There has been appointed a director for the Peace Maintenance Commission. He has not had much success in his chief function which is to persuade Swatow shopkeepers and merchants to open up business again. The tone of a mass meeting sponsored by the Peace Maintenance Commission and held to commemorate two years of hostilities and to initiate a so-called peace campaign was definitely favorable to Wang Ching-wei's policies and opposed to the Central Government of China. Japanese sentries placed in various sections of the city are still responsible for the maintenance of peace and order although an effort is being made by a Chinese chief of police appointed by the Peace Maintenance Commission to form a police force to assume the duty of patrolling the city. Large amounts of furniture taken from the premises of Chinese have
been

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

CONFIDENTIAL

-2-

transports
been placed on ~~the~~ destined for unknown places. However,
little lawlessness has been reported and the Japanese
soldiers have on the whole conducted themselves very well.

793.94/15200

ECC.
FE:ECC:HJM

7/14

FE
FE

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

LEGAL ADVISER

JUL 17 1939

TELEGRAM RECEIVED

DEPARTMENT OF STATE

FS

PLAIN & GRAY

1-1336 Division of
FAR EASTERN AFFAIRS
JUL 12 1939
Department of State

Shanghai via

Dated July 12 1939

Rec'd 8:35 a.m.

DEPARTMENT OF STATE
JUL 15 1939

Secretary of State

Washington.

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

591, July 12.

Japanese Consul General has today communicated to Senior Consul for information of Consular representatives a notification dated July 11th from Commander-in-Chief of the Japanese China Seas Fleet, reading in part as follows:

"The Japanese navy forces will start military operations against Chunchow, Tungshan and Chaoanhsin (all in Fukien) on Saturday the fifteenth July 1939 at eight a. m. (Japan time). It is requested therefore that third power vessels, including men of war, to leave these harbors by the time the operations commence. From that time the entrance to each of the harbors above referred to will be closed by means of obstacles and dangerous objects for the necessity of military operations, so that passage into or out of the harbor will become impossible after that hour. The Japanese authorities cannot assume any responsibility for losses either directly or indirectly, that might be suffered by vessels remaining in the harbors after the said hour.

"Since the areas in the vicinity of each of the above harbors

793.94/15201

F/FG

793.94

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

15656

FS 2-No. 591, July 12 from Shanghai

harbors will become zones of hostilities, third power nationals residing in the said areas are hereby requested to evacuate as soon as possible."

As the American position in regard to notifications of this nature has been made clear to the Japanese authorities on several occasions, I am not replying to the Japanese Consul General's communication but am informing Swatow, Foochow, Amoy and the American naval authorities here.

Sent to Swatow, Foochow, Amoy, repeated to Chungking, Peiping, by air mail to Tokyo.

CSB

GAUSS

0171

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

PREPARING OFFICE
 WILL INDICATE WHETHER

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 Charge Department
 OR
 Charge to
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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
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 PLAIN

Washington, By Cable
Restricted Distribution

This cable was sent in Confidential Code.
 It should be carefully safeguarded before
 being communicated to anyone. BN

July 10, 1939.

6 p.m.

AMEMBASSY,

TOKYO (JAPAN)

190

STRICTLY CONFIDENTIAL.

Your 320, July 10, 4 p.m.

The Japanese Ambassador called this morning at my request. I spoke to him in regard to the Japanese bombings of Chungking on the mornings of July 6 and 7. I protested against a continuation of these indiscriminate bombings and informed the Ambassador that the President personally had asked me to do this. I informed the Ambassador also that, without any exchange of formal notes, the President desired to receive without delay a statement from the Japanese Government in regard to the matter.

793.94/15201A

1344 OR
 JUL 10 1939 PM

FE:MMH:HES

Enciphered by _____

Sent by operator _____ M., _____ 19 _____

D. C. R.—No. 50

1-1482 U. S. GOVERNMENT PRINTING OFFICE

Hree

1939 JUL 10 PM 5 30

DIRECTOR OF
 COMMUNICATIONS
 AND RECORDS

F/FG

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations: trade control measures;
guerilla warfare: report on developments in
Tientsin district.

793.94/15202

For the original paper from which reference is taken

See #809 to Embassy
(Despatch, telegram, instruction, letter, etc.)

Dated June 7, 1939 From Tientsin (Caldwell)
~~XXXX~~

File No. 893.00 P.R. Tientsin/133

793.94
15202-

B. Relations with Other Countries.

1. Japan.

a. Trade Control Measures (1-4) Restrictions imposed by the Japanese military or by their Chinese puppets at Japanese direction on the trade of North China were continued. These restrictions involved attempts to extend the use of the Federal Reserve Bank currency, to bring the foreign exchange banking business under the control of the Federal Reserve Bank and also impediments to the transportation of export goods from the interior to Tientsin and on dealing in export and import goods within the French and British Concessions at Tientsin. Representations to the Japanese authorities were continued by the Consulate General in connection with interference by the Japanese military with the transportation by Americans of cargo from the interior to Tientsin and, in Tientsin, into the British and French concession areas.

b. Guerilla Warfare between the Japanese and the Chinese partisans in the interior of Hopei, Shansi, Chahar, and Suiyuan continued with the Japan-

-2-

ess reporting complete successes in all the encounters, which reports were not confirmed by neutral observers. A belated report which reached the Consulate General during May indicated a severe Japanese defeat at the hands of the 8th Route Army somewhere south of Paoan, in Suiyuan province, with heavy losses to the Japanese in both men and material. The details of this defeat were, however, not available.

Elsewhere in the four provinces the Japanese apparently were unable to extend their control into the interior and in encounters with the guerrillas apparently suffered approximately as many losses as they inflicted.

Unconfirmed reports of encounters between the Japanese and the Chinese partisans immediately west of Peiping indicated that the Japanese suffered considerable losses and gained no important objectives.

Units of the 8th Route Army were reported to be operating in Northeast Hopei and eastern Jehol both north and south of the Great Wall and delays to trains between Tientsin and Mukden, which occurred from time to time, were attributed to these activities, although nothing definite was ascertainable in Tientsin in this regard.

c. Mongolia. Toward the end of May the local press reported serious encounters between Outer Mongolian troops on the one side and "Manchukuo" and Kwantung army troops on the other, along the eastern border of Outer Mongolia in the neighborhood of Lake Baikal.

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

-3-

Dair. Since these reports were of Japanese origin they naturally reported the Japanese and "Manchukuo" forces as being completely successful. No Mongolian or Russian reports were available nor was any information available from neutral sources.

0176

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

PREPARING OFFICE
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5657

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PARTIAL

PLAIN

Department of State

1939 JUL 10 PM 5 50

Washington, D

July 12, 1939

AMEMBASSY,

TOKYO (JAPAN) VIA SHANGHAI via *DR*

INFO: AMEMBASSY, CHUNGKING (CHINA).
 AMEMBASSY, PEIPING (CHINA).

191
 One. This afternoon the Department released to the press a statement which reads as follows: QUOTE Referring to the bombings of Chungking on July 6th and 7th by Japanese planes, American diplomatic and consular officials have made appropriate representations to the Japanese authorities against the indiscriminate bombings, which seriously endangered American life and property. The American Embassy at Tokyo reports that on July 10 the American Charge d'Affaires at Tokyo, under instructions, made emphatic representations to the Japanese Minister for Foreign Affairs in regard to the matter. UNQUOTE

Two. In reply to inquiries, the press was orally informed that the Japanese Ambassador called today, that I discussed with him general phases of the Far Eastern situation, and that, during the conversation, I brought the bombings at Chungking to the Ambassador's attention. Repeated to Chungking and Peiping.

FE:JH:HJN

FE

Enciphered by

Sent by operator M., 19

D. C. R.—No. 50

1-1482 U. S. GOVERNMENT PRINTING OFFICE

793.94/15202A

F/FG

CR
 JUL 10 1939 PM

Hull
 (7.7.4)

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Military activities in Chefoo district during May, 1939:
report on subject.

793.94/15203

For the original paper from which reference is taken

See #60 to Embassy
(Despatch, telegram, instruction, letter, etc.)

Dated June 8, 1939 From Chefoo (Roberts)
~~DECI~~

File No. 893.00 P.R. Chefoo/146

793.94
15203

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

1. Japan.

(1) Military Situation.

Japanese naval air crafts operating from cruisers, the Japanese naval landing forces at Chefoo and the Chinese mercenaries operating with the Japanese were active throughout the month.

The guerrillas also took the field and there were repeated and consistent reports of sharp engagements
between

- 5 -

between the Japanese forces and the irregulars. The heaviest fighting took place in the Laiyang and Ch'i-hsia district, 30 to 50 miles south and south west of Chefoo. About the middle of May mercenary troops under Commander Chang Tsung-yuan (Japanese) and regular forces of the Japanese Imperial Army pushed eastward by five roads from Chaoyuan and Hwanghsien. One group of about 400 men marching on Ch'i-hsia defeated the guerrillas under Ts'ai Chen-k'ang and laid siege to that city. The joint forces attacking Laiyanghsien were driven back and the Laiyang guerrillas came to the aid of Ts'ai Chen-k'ang completely surrounding Commander Chang Tsung-yuan's forces. Heavy bombing by six Japanese airplanes saved the Japanese forces from annihilation. Protected by the aircraft the joint Japanese and mercenary forces retreated to the village of Chang P'ang about sixteen miles south west of Chefoo.

Considerable quantities of arms and ammunition are said to have been lost to the guerrillas. Casualties are estimated at 300. This was partly confirmed by the arrival of many wounded mercenary troops at the Chefoo Municipal Hospital.

Commander Chang Tsung-yuan and some one hundred of his defeated forces came to Chefoo May 23rd and were welcomed by the local officials and a parade of school children. He left the next day after another parade of school children and is said to be marching towards Tsingtao.

The

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

- 6 -

The military activities during the month brought no significant change in the situation in Eastern Shantung. Japanese and their mercenary troops continue to hold the main ports and towns near the coast between Weihaiwei and the railway line at Weihsien. Attacks on the guerrilla forces in their mountain strongholds met with no success and the guerrillas still threaten the Japanese forces occupying Eastern Shantung, so much so, that the Japanese Naval Landing Party at Chefoo keeps under cover at Chefoo leaving the city only for daylight raids in the interior.

(2) Restrictions on Foreign Residents.

Following the raid on the Customs Cruiser the Commander of the Japanese Naval Landing Party decreed that on and after May 20th all third power nationals over six years of age wishing to pass the Japanese naval guards must be supplied with passes issued by the Naval Headquarters. As one sentry post is on the principal beach road nearly half a mile inside the city and in the center of the foreign residential section, the new order meant that some three hundred school children and most of the foreign residents of Chefoo were required to obtain naval passes.

Although the Japanese Naval Landing Party even on May 20th informed the Japanese Consulate that passes would be required and arrangements were made for a temporary

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

- 7 -

temporary consular pass to serve until regular passes could be issued by the Japanese Navy so far foreigners have been passing the sentry posts without showing the naval identification documents.

The British Chamber of Commerce on May 23 noting that the sentry post in the center of the foreign residential section occupies British property filed a protest with the British Consulate and requested that the matter be taken up with the British Embassy at Shanghai.

(3) Raid on Customs Cruiser HAICHENG.

About midnight May 8th three bold guerrillas boarded the Chinese Maritime Customs Cruiser HAICHENG taken over by the Japanese and succeeded in removing all guns and ammunition on board, said to consist of one machine gun, five or six rifles and a quantity of ammunition. The raiders seized two of the crew and escaped in the cruiser's motor launch which was abandoned on the beach east of Chefoo.

On the morning of May 9th all approaches to Chefoo were barred by the Japanese and the Naval Landing Party ordered all activities on the water front to stop. It was not until late in the morning that those living outside the naval sentry posts could enter the city and normal traffic was resumed.

Intensive efforts were made to find those responsible for the successful raid on the Chinese Maritime Customs Cruiser under the control and the guns of the Japanese Navy.

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

- 8 -

Navy. It was reported that some two hundred arrests were made. The two Japanese officers of the cruiser ashore for the night were arrested. The rest of the crew (Chinese) and their families were arrested and tortured to force confession. An effort was made to connect the Chief messenger at the American Consulate with the incident. (See section entitled "Detention of Consular Messenger").

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

CROSS-REFERENCE FILE

NOTE

793.94

SUBJECT Foreign missions in Shansi: resentment of Japanese military toward presence of-, "Ejections" of certain British missions, although related to current anti-British campaign, may have been due in some degree to resentment that missionaries have been able to witness and report the comparative lack of success by Japanese in their operations in province. It is thought likely that efforts will be made to effect removal -,

793.94/15204

For the original paper from which reference is taken

See Tel #331; 5pm
(Despatch, telegram, instruction, letter, etc.)

Dated July 6, 1939 From China (Smyth)
To

File No. 393.4163/8

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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 893.01 Provisional/214 FOR Tel #46; 3pm

FROM China (Nanking) (Clubb) DATED July 7, 1939.
 TO NAME 1-1127 ***

REGARDING: Japanese efforts to establish a "new China."
 Second anniversary of Lukuoichiao incident: statements issued by
 Liang Hung Chih and General Yamada; the former emphasizing
 necessity of Sino-Japanese cooperation; the latter, continua-
 tion of-

FRG.

793.94/15205

15205

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

FE

rr
(A portion of this
message must be clearly
paraphrased before
being communicated to
anyone. Br.)

NANKING via N.R.

Dated July 7, 1939

Rec'd. July 8, 8:45 a.m.

Secretary of State,

Washington.

46, July 7, 3 p.m.

This office's 45, July 6, 4 p.m. 1212

It now appears definite that Wang made a visit
to Nanking on July 5 and departed on the same day
making both journeys by air. Nothing is known as yet
of the results, if any, of the visit.

(PLAIN). NANKING SING PAO today announces that
fifth meeting of Joint Committee will convene Tsingtao
July ten, that Vice Minister Foreign Affairs Hsi Ching
(concurrently chief Political Affairs Section of Joint
Committee) left for Tsingtao July six to make arrange-
ments, that Liang Hung Chih and other Nanking and
Peiping officials will attend.

Statement issued by Liang in same paper commemorat-
ing second anniversary Lukuoehiao incident patterned
generally after previous statements of same category,
includes observations that "of the intelligent gentlemen
of the Kuomintang side, there are also those who recognize
that the Japanese policies are without harm to China's
existence

Not
793.94

893.01 Provisional/214

118
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

2 - 46, July 7, 3 p.m. from Nanking.

existence and independence, who feel strongly that Sino-Japanese friendship and cooperation are not only natural but essential".

Similar statement by General Yamada holds that "a certain country is failing to recognize clearly the new situation in China and plans for temporary gain, not desiring lasting peace for East Asia;" and reiterates determination of Japanese army to continue its efforts without stint to construct a new China; and states that object of the "holy war" is to eliminate present internecine strife, a task made more pressing by European events.

Repeated to Chungking, Peiping, Shanghai, by air mail to Tokyo.

CLUBB

CSB

118
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

1-1836

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

FROM

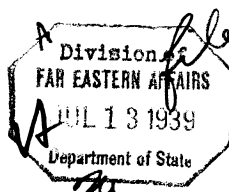
COMSOPAT

July 13, 1939

Rec'd 7 a.m.

ACTION: CINCAF

793.94
INFO: COMDESRON FIVE
COMYANGPAT
ASHEVILLE
MINDANAO
TULSA
POPE
PILLSBURY



PASSED BY CINCAF TO OPNAV

0010. Japanese control Chaochowfu but the Chinese
are fighting in the vicinity. Last week the Japs withdrew
4000 men and several hundred horses from Swatow. Conditions
are quiet in Swatow, however the details of commercial
shipping visiting harbor not yet adjusted. It is necessary
for passengers wishing entry to Swatow to have visa by
Japanese Commanding General Hong Kong Shanghai. 1345.

793.94/15206

F/FG

JUL 19 1939

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

TELEGRAM RECEIVED

EDA

This telegram was received
in Navy cipher and must be FROM
closely paraphrased before
being communicated to anyone

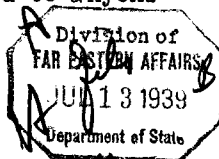
USS ASHEVILLE

July 13, 1939

Received 7 a.m.

ACTION COMSOPAT

INFO CINCLAF



0012. Jap transport arrived in outer harbor today
and landed 50 men which was probably a liberty party.
On the tenth a Jap plane bombed the English Mission at
Changchowfu which mission was its intention and objective.
There are indications of a tightening of the food supply
as there has been very little allowed on the island since
Saturday. Kulangsu Municipal Council handed Jap Consul
General letter refusing compliance his request of 29
June. 2315.

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note
393.4163

793.94/15207

F/FG

FILED
JUL 19 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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 14, 1939.

~~JWP~~
~~MHE~~

Reference, Chungking's telegram no. 438, July 13, noon, reporting Ambassador Johnson's views in regard to Japanese air-attacks on Chungking:

In my opinion, the views of Mr. Johnson should be conveyed to the Japanese authorities for the reasons that the views expressed are an effective rebuttal of the reiterated assertions of the Japanese authorities that air attacks are an important phase of military operations and that bombings are carried out against military objectives only. Mr. Johnson's report gives fresh point to our frequent ~~representations~~ representations against Japanese bombings, both in regard to American lives and properties and in regard to Chinese civilians. Mr. Johnson's report would be difficult, if not impossible, of refutation by Japanese authorities; and it might be employed effectively by those Japanese authorities who, like to see a curb put on the bombing of Chinese civilians.

It is thought that Mr. Dooman should be instructed to call on the Foreign Minister, to refer during that call to the conversation which Mr. Dooman had with the Foreign Minister, as reported in Tokyo's 320 of July 10, 4 p.m., and then

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

- 2 -

then to read to the Foreign Minister all of Mr. Johnson's report, beginning with the words, "I have personally witnessed . . .".

An alternative procedure would be
* for Mr. Hamilton to request Mr. Suma to call at the Department. Mr. Hamilton could then refer to Mr. Suma's call of July 5, when Mr. Suma gave a resumé of the findings of Mr. Hirasawa during the latter's recent investigation of bombings in China, and, after referring to that conversation and in particular to Mr. Hirasawa's recommendation that American properties be isolated from Chinese and Chinese military objectives by one kilometer (reference Department's telegram to Tokyo no. 183, July 6, 7 p.m.) Mr. Hamilton could then read to Mr. Suma Mr. Johnson's report, beginning with the words, "I have personally witnessed . . .".

A draft telegram to Tokyo is attached, in the event the first procedure recommended above is approved.
FE: *Saffery*

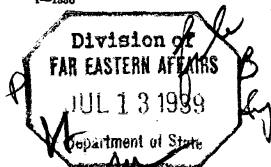
* *I think a telegram to Tokyo is preferable. m.m.H.*

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

TELEGRAM RECEIVED

JR

1-1336



FROM

GRAY

Chungking via N. R.

Dated July 13, 1939

Rec'd 6:45 a.m.

Secretary of State,
Washington.

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

Telegram to Chungking

Telegram to Tokyo

438, July 13, noon.

Reference my despatch No. 212, May 22.

With reference to Tokyo's 320, July 10, 4 p.m.,

Department may consider it appropriate to communicate the following to Tokyo for possible informal communication to Foreign Minister Arita in connection with his statement that attack from the air upon Chungking "was an important and effective phase of the military." I may, I think, with all modesty, consider that my views on the subject are not without value as I have personally witnessed from the ground and in a sense from the point of view of one under attack from the air, some 66 raids by Japanese planes made in the night as well as in the day. I have learned to distinguish between a raid made upon a military objective and one that is made merely for the purpose of terrifying and killing unarmed and innocent civilian population. I feel that I can say that Chungking is unarmed in any sense that might be construed as offensive.

To

793.94/15208

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F/FG

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

-2- #438, July 13, noon, from Chungking.

To say that anti-aircraft weapons comprise military establishments and therefore offensive weapons is like saying that when I raise my hands to a defenseless position to meet the threat of an attacker I thereby justify the attacker on the ground that he subsequently does what he does to me in self defense. I witnessed the two raids mentioned in this telegram. I have inspected the damage done to the city during the previous raids when incendiary bombs were used. I feel that I can say without fear of contradiction that in all of these raids the bombing was indiscriminately carried out with the deliberate intention of terrorizing the unarmed population of the city of Chungking and without regard to immediate objectives; that no objects of military character were hit or damaged; that while thousands of innocent men, women and children were killed in the fires started by incendiary bombs dropped among the wooden houses which characterize the housing of Chungking, no armed or military forces were injured or hurt. I feel that I can say without fear of contradiction that the only effect of this type of bombing has been to blast deeper the spiritual chasm that has been growing during the past two years between the Chinese and the Japanese peoples, a chasm that will keep these peoples sadly apart for years to come postponing the establishment of

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

-3- #438, July 13, noon, from Chungking.

of that peace which the Japanese have so often said
was the object of their campaign on the Continent.
The effect
(*) of these bombings of undefended cities far behind
the lines has been to unify the people and to build up
in them a spirit of resistance that was not there before.

JOHNSON

HPD .

(*) ~~Apparent omission.~~

0194

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

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PARTIAL

PLAIN

Washington,
July 14, 1939

AMEMBASSY,

CHUNGKING (CHINA)

793.94/15208

133

Your 438, July 13, noon.

Please repeat to Shanghai, for repetition to Tokyo,
the telegram under reference in order that your state-
ments may be brought to the attention of the Japanese
Foreign Minister.

Hull
P.H.

793.94/15208

CR
JUL 14 1939 PM

Enciphered by FE:LES:HJN

Sent by operator M., 19

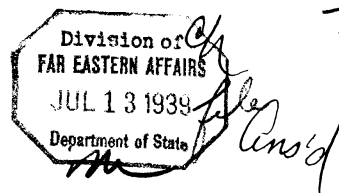
D. O. R.—No. 80

1-1402 U. S. GOVERNMENT PRINTING OFFICE

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

NORTH AMERICAN HOLDING CORPORATION
EIGHTH FLOOR, CITY BANK BUILDING
SYRACUSE, N. Y.



1939 JUL 12 PM 4 27 Syracuse, N.Y., July 11, 1939

Hon. Cordell Hull, ^{DIVISION OF} COMMUNICATIONS
Secretary of State, ^{AND RECORDS}
Washington, D. C.

July 15 1939

Dear Mr. Secretary:

More than fifteen years ago the alumni and students of Syracuse University started a Unit at Chungking, China, which was later incorporated as the Syracuse-in-China Association. This work was started by Mr. George H. Maxwell, a Trustee of Syracuse University and the founder of this Corporation, which is organized for religious, charitable and educational objects, and since its formation has contributed large sums for such objects, including many thousands of dollars toward the promotion of the activities of this Syracuse Unit in Chungking, where a hospital, school and institutional church have been established. At various times it has sent out skilled doctors and other professional men to take charge of its work, and this institution has taken a very high place in the life of the Chinese nation, especially in its far western section.

During all of these years an active organization has been promoting this work among the thousands of alumni and students of Syracuse, with the result that these thousands of graduates and under-graduates are greatly concerned lest all of the efforts in time, money, education and self sacrifice devoted to this worthy and humanitarian enterprise during these many years, may largely be destroyed. At long last its hospital has become entirely self supporting and is being efficiently handled, largely by native doctors who have been trained for that work.

As far back as October 20th, Mr. A. W. McCurdy, in charge of the institutional church of this Unit, wrote us as follows:

" Here in Chungking we are living in daily expectation of bombing. Several times we have had the raid signals and one time the planes went over the city dropping literature warning that bombings were to follow. We have no other thought than that Chungking will soon be a target. You can imagine what the effect of this crowded city will be. It is rather strange how quickly one adjusts to such expectations.

793.94/15209

F/FG 5209

0194

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

Hon. Cordell Hull - - - - - (2) 7/11/39

Our work is conditioned by the situation. As a united Christian group in the city there are three particular projects on which we are working. One is helping to take care of the "warphans" as they are being called. It is one of Madame Chiang's pet projects to care for these homeless little folks and make future citizens of them. There are a thousand or more of them in the city now and several thousands have passed through to other cities and to smaller places. A second project is relief work for the wounded soldiers. As we organize for this we have in the back of our minds that this organization for first aid and medical care for soldiers can be swung into relief work in the city when the actual bombing comes. We have quite a complete organization, six teams for first aid, and many other teams to help the first groups, these latter will be used more for local relief than for the soldiers. Our third project is the reception of and provision for refugees from down river. For some months we have been taking care of these as I told you in my other letter. There will be an increased demand for this now and we are trying to provide a camp in the city as a clearing house. We are establishing some camps outside the city and are finding places in other cities and towns to which families may be sent."

After the Japanese raids began we received letters from D. S. Lien and Dr. Gentry of this Unit, who advised us as follows:

"We now have a 30 bed Sanatorium at Go Lo Shan, which is about ten miles from Chungking. This is to be exclusively used for Tuberculosis patients. There is also an out-patient department connected with this small hospital. Part of the hospital equipment has been removed from Chungking for safekeeping. There is a large dugout cut out of solid rock which is under the hospital buildings, this is large enough to accommodate about 400 people. Much of our valuable hospital supplies are stored there. * * * * *

The rich people are moving out of the city into the country because of air raids in Chungking. Our policy has been for the rich patients to pay for the poor ones. Now the rich ones are leaving the city which presents a problem to be worked out. "

We note with extreme satisfaction that you had caused our Diplomatic and Consular Officials to make appropriate representations to the Japanese authorities against the indiscriminate bombing, endangering American life and property in Chungking, and we trust that these representations may be followed up with such stern action as will cause the Japanese to desist from such inhuman and barbarous practices.

719

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

Hon. Cordell Hull - - - - - (3) 7/11/39

It is my belief that the great mass of Americans are in favor of taking any steps required, even to the extent of prohibiting all commercial intercourse with Japan, to bring about the cessation of these barbarous activities.

With the greatest of respect and the deepest appreciation for the able manner in which you have discharged the duties of Secretary of State of the United States during the present administration, I am

Most respectfully yours,

LSC/EMcD

Levi E. Lehman

Vice President

0198

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

July 15 1939

In reply refer to
 FE 793.94/15209 -

My dear Mr. Chapman:

Mr. Hull has asked me to acknowledge the receipt of your letter of July 11, 1939, in regard to certain activities in China sponsored by the alumni and students of Syracuse University.

Your letter has been read with much interest and you may be assured that we are giving constant and earnest attention to the situation in the Far East, and that in the very difficult circumstances which confront us in that area we are continuing to exert our best efforts toward obtaining respect for American rights and interests.

The Secretary greatly appreciates your kind expression of endorsement of his conduct of the affairs of the Department of State and he has asked me to thank you for your courtesy in making known to him your views in this regard.

Sincerely yours,

CR/ll
 JUL 15 1939

Maxwell M. Hamilton
 Chief
 Division of Far Eastern Affairs

Mr. Levi S. Chapman,
 Vice President, North American Holding Corporation,
 Eighth Floor, City Bank Building,
 Syracuse, New York.
 FE:EGC:HJN 7/14



793.94/15209

F/FG

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

TELEGRAM RECEIVED

KLP

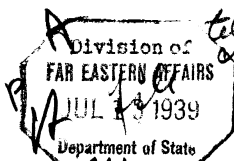
GRAY

Chungking via N. R.

FROM

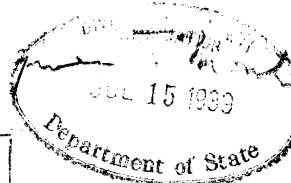
Dated July 13, 1939.

Req'd. 10:50 a.m.



Secretary of State,
Washington.

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



July 13, 9 a.m.

Your July 8, 11 a.m.

Local United Press representative states his message to Shanghai was "one hit old American navy canteen hundred yards ex ^{FALCON} ~~fallacy~~ whereon U.S. painted, however building vacant, Sino owned." Information obtained by the Embassy is that the "old American canteen" in question had been vacated by the American navy at least three years ago and before the time when American flags were painted on roof of building and that when it was set on fire and completely burned by a Japanese bomb on July 7 it was in use by the Chinese Electric Light Company. No (repeat no) American flag had been observed on its roof. Nor is one believed to have been there. I regard reference in this press despatch to a local well known Chinese building ^{by its former consul} ~~(?)~~ but long abandoned status as constituting deliberate attempt to create a sensational and misleading report out of inadequate material. It is suggested

793.94/15210

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

2- July 13, 9 a.m. from Chungking
suggested that the Department may wish to consider
addressing the United Press in the premises.

Repeated to Shanghai, Peiping, Hankow.

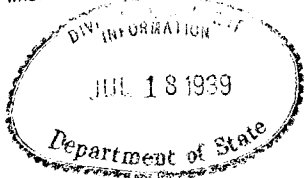
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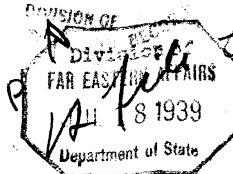
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

United Press Associations
INCORPORATED IN NEW YORK
GENERAL OFFICES
NEWS BUILDING NEW YORK CITY

LYLE C. WILSON
MANAGER, CAPITOL BUREAU
NATIONAL PRESS BUILDING
WASHINGTON, D. C.



July 17, 1939



Dear Mac:

I am forwarding to New York Ambassador Johnson's account of the facts of a United Press story published on July 8. I do not regard it as a deliberate attempt to create anything sensational and misleading or otherwise because I am a long way from China and am not familiar with the facts, myself. But it is not our habit to circulate sensational and misleading reports, so I'm giving our people in China the benefit of the doubt until I learn otherwise.

Sincerely,

Lyle C. Wilson
Lyle C. Wilson

Mr. Michael J. McDermott
Department of State
Washington, D. C.

F.W. 773.94/15210

F.W. 793.94/15210

FILED

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0202

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

PREPARING OFFICE
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Department of State

TO BE TRANSMITTED
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1939 JUL 19 PM 3 35

Washington, July 18, 1939

AMEMBASSY,

CHUNGKING (CHINA).

INFO: AMEMBASSY, PEIPING (CHINA).
 AMERICAN CONSUL, SHANGHAI (CHINA).

✓ 130 Your July 13, 9 a.m., United Press story of bombing of former American navy canteen.

The Department has brought this story informally to the attention of local representative of the United Press who is referring it to his New York office for investigation.

Repeated to Peiping and Shanghai.

793.94/15210

793.94/15210
 note
 811.30 Asiatic Fleet

Hull
 (7.24)

FE:JXP:HJN

Enciphered by

Sent by operator M., 19

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

JUL 19 1939 PM

F/EG

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Relations between China and Japan.

Report concerning -, for month of April, 1939.

82.

793.94/15211

For the original paper from which reference is taken

See despatch # 2055
(Despatch, telegram, instruction, letter, etc.)

Dated May 20, 1939 From { China (Lockhart)
To {

File No. 893.00 P.R./157

15211

- 5 -

743.94

3. Japan:

15

a. The military situation:

Chinese and Japanese military reports during April were conflicting and in many cases exaggerated, but at the end of the month the opposing forces remained, in general, in the same positions as had been occupied by them after the conclusion of the Japanese Kiangsi campaign of late March and early April.

Considerable publicity was given (particularly by the Japanese) to the so-called Chinese "April offensive"; it seems probable that this offensive was undertaken to offset the effect on Chinese, and perhaps foreign, public opinion of the fall of Nanchang, but no important places were captured and the advances made by the Chinese were principally in areas evacuated by Japanese troops. The significant feature was that, after 21 months of defeats and withdrawals, the Chinese were able to undertake any sort of offensive action. As one commentator pointed out, the offensive gave proof of Chinese spirit and, although no great military triumphs were achieved, on the Japanese it inflicted losses, exasperation and delay on a scale which was not negligible.

An example of exaggerated Chinese claims was the reported entry of Chinese troops into Kaifeng April 11; actually only a small attack was made by the Chinese and this was quickly beaten off by the Japanese. On the other hand, Japanese reports exaggerated Chinese casualties and minimized Japanese losses; these Japanese claims were contradicted by neutral reports from Hankow, Canton,

and

15. Press reports, reports from the Embassy, consular officers, military and naval attachés.

16. Reuters, London, April 21, quoting London Times.

17. Embassy's (Peking) 201, April 26, 5 p.m.

- 6 -

and Tsinan, as well as by information received from foreigners residing and travelling in the interior of Hopei and Shensi provinces, which indicated that the Japanese, as well as the Chinese, had suffered serious casualties during the month.

18

According to informed foreign sources, 65,000 Japanese replacements arrived in China during April, of which 40,000 were sent to Central China, chiefly to Hupeh, and 25,000 to North China. The same sources stated that at the end of April there were 32½ Japanese divisions (approximately 650,000 men) in China south of the Great Wall.

b. Operations in Central China
South of the Yangtze:

Following their capture of Kaoan April 2, Japanese units advanced a short distance southwest, but attempts to cross the Chin River south of Kaoan failed. After the capture of Wuning March 29, Japanese columns advanced southwest along the highway to Changsha; heavy fighting was reported, but the Japanese were not able to proceed beyond Yen kang, 15 miles from Wuning; finding progress difficult, they changed their plans for a drive in this area and moved one division from Wuning to Yochow, Hunan (via Tungshan, Tsungyang and Tungchang, all in southern Hupeh); the arrival of this division on April 21 brought the Japanese forces in Yochow up to two divisions, and the Chinese expected an attack from Yochow on Changsha, which, however, was not made during April. The withdrawal of a division from the Wuning area permitted the Chinese to advance to within six miles of that city

April

18. "Situation Report" No. 9768, May 5, 1938, Military Attaché, American Embassy, Peiping.

- 7 -

April 19, and on April 25 the Chinese were reported to be attacking Fengsin, indicating further Japanese withdrawals.

In the extreme southern Hupeh area, Chinese troops reportedly reached the railroad station at Yangloussu and were on three sides of Sienning, on the railway from Yochow to Hankow.

Tuling was occupied by Japanese forces April 18.

It is understood that at the end of April, after various withdrawals and transfers of troops, the Japanese forces in the Hanchang-Yochow area south of the Yangtze, amounting to approximately 140,000 men, were distributed as follows: one division at Hanchang, one in the triangle Fengsin-Anyi-Taingan, one at Tuning, one at Sintanpu (a few miles southwest of Yangsin),¹⁹ one at Tungcheng, and two at Yochow.

c. Operations in Central China
north of the Yangtze:

Severe fighting was reported in the Han River area during April and heavy casualties were suffered by both sides, but no vital advances were made by either the Chinese or the Japanese. Japanese forces crossed the Han River west of Yuehchow April 14 but did not advance further; heavy fighting occurred at Yingshan, 25 miles north of Anlu (Chungshiang), and also in the region west of Sinyang (on the Peiping-Hankow Railroad). On April 23 40,000 Japanese replacements arrived in Hankow, most of which were reportedly sent to the Han River area; the arrival of these replacements led the Chinese to expect a Japanese offensive against Shasi and Ichang, or north
from

19. Military Attaché, American Embassy, Peiping.

- 8 -

from Anlu, and the Chinese acted to meet this threat by crossing the Han River from Chayang to Anlu (April 24 to 29). At the end of the month, however, some observers felt that the Japanese objective might, instead, be Chengchow, Honan; three Japanese divisions were concentrated in the area between Suhsien (southwest of Chuyang) and the Peiping-Hankow Railway, and it was believed that these divisions would shortly attack north toward Chengchow.

The Japanese forces in the area between the Han River and the Peiping-Hankow Railway were reported to number about 90,000 at the end of April.

d. Operations in South China:

Reports from Chinese and Japanese sources were conflicting, but, although no significant gains were made by either side, a neutral report from Canton indicated that the fighting during the month in Kwangtung was the severest that had yet occurred in that region. The Japanese drive in the West River delta resulted in the capture of Kongmoon and vicinity; the Chinese, reportedly in an endeavor to frustrate the Japanese advance in that area with its consequent threat to Kwangsi, simultaneously began attacks on Japanese lines encircling Canton from the east, north and west, but Japanese positions temporarily abandoned as a result of these attacks were subsequently regained. At the end of the month the Japanese claimed that no Chinese forces were within a radius of 40 miles of Canton.

The Japanese made a landing April 12 at Namtow, on

the

20. Military Attaché, American Embassy, Peiping.

21. Canton's May 3, 5 p.m. to Embassy (Peiping) only (monthly summary).

- 9 -

the east bank of the Pearl River, adjoining the British leased territory of Newloon; landings were also made at two points in the Chungshan district, 20 miles north of Macao.

The Japanese forces in Hainan Island extended their holdings in that area during the month.

e. Miscellaneous operations:

Numerous engagements between Chinese and Japanese forces in Shansi were reported during April, but no important gains were made by either side.

Japanese sources continued to claim overwhelming Japanese successes in their anti-guerrilla campaigns in Hopei and Shansi, but these claims were not confirmed by information received from foreigners residing and traveling in the interior of those two provinces; American observers in central Hopei reported that during the past few months the Japanese have sent out strong columns of troops which have burned and looted villages, but have failed to establish effective control over areas away from the railways.

22

A reliable source in Tsinan stated that, although Chinese and Japanese claims were exaggerated, Chinese military operations in certain parts of Shantung were more important than the Japanese admitted; this source reported that during the last week in April three separate Japanese attacks on the positions held by General Yu Hsueh-chung's troops in the Meng Shan range of mountains in southern Shantung were successfully repulsed, with heavy losses to the attackers in men and material.

The

22. Mentsin's despatch No. 798, May 5, 1936, to the Embassy (political report for April).

23. Tsinan's May 1, 1 p.m. to Embassy (Peiping) only (monthly summary).

- 10 -

The Japanese were able to keep the railroads in occupied areas in operation without much interruption, except in southern Shantung where the Peiping-Pukow line (on which through traffic was inaugurated April 1) was out for some days during the month. The Japanese military continued work on a 50-mile branch line to connect the Peiping-Hankow Railway at Sinsiang, Honan, north of the Yellow River, with the Lunghai Railway at Kaifeng, south of the river; the old river bed, now dry due to the breaches made in 1938 some miles west, is crossed on a wooden bridge built by conscripted Chinese labor, reportedly with American timber. (The Japanese announced that the branch line was opened to traffic May 5.)

Reports from Shanghai indicated that Chinese guerrillas were unusually active in April, but no important offensive operations appear to have been undertaken by the Chinese in the lower Yangtze valley area.

A reliable neutral informant at Amoy reported that, for the first time since the Japanese occupation of Amoy in May 1938, Chinese forces on the mainland carried out a raid on the Japanese. On April 21, under cover of fog, 300 Chinese soldiers crossed in junks from the mainland to the island of Quemoy, at the entrance to Amoy harbor, surprised the small garrison and killed 20 Japanese marines, 100 Formosan militia, and about 60 Chinese officials of the Japanese controlled "Peace Maintenance Committee"; the Chinese attackers departed before Japanese reinforcements arrived. The Japanese, in reprisal,

executed

-
24. Associated Press correspondent, Peiping.
25. Shanghai's May 1, 3 p.m. to Embassy (Peiping) only (monthly summary).
26. Amoy's despatch to the Embassy No. 11, May 3, 1939, "April political survey" (No. 24 of May 3 to the Department).

- 11 -

executed a number of Chinese civilians and bombed two nearby cities. The Chinese raid resulted in a marked increase of Japanese troops in amoy.

f. Aerial activities:

The Japanese air force continued to be very active during April; two raids were made in Yunnan Province, Foochow and vicinity were bombed almost daily, and many raids were made on and behind the Chinese lines. The Japanese stated that particular attention was given to the destruction of Chinese air bases, but it was difficult to estimate the effectiveness of these operations, in view of the Japanese news agencies' penchant for exaggeration in their military reports - for example, it was stated that during the raid on Yunnanfu April 8 the Japanese destroyed 33 Chinese planes on the ground and six in aerial combat, but neutral sources reported that only a few planes on the ground were destroyed and none shot down.

According to Japanese reports, important raids were made on Yunnanfu (April 8); Yushan, Kiangsi (April 9); Mengtze, Yunnan (April 13); Chengchow, Honan (April 16); Pinglu, Shansi (April 20); Nanoheng (Nanohung), Shensi (April 29); Luan, Shansi (April 29); and Ningpo, Chekiang (April 29). Raids were also reportedly made in Kwangtung, Hupeh, Honan and other provinces. Chinese and neutral reports indicated that the Japanese also made raids on Jiau, Shensi (April 2); Changsha, Hunan (April 4); Hengyang, Hunan (April 6); Pingyang, Kwangsi (April 8); Minhua, Chekiang (April 8); Foochow, Fukien (April 15, 18, 21 and 25); and Ichang, Hupeh (April 26).

On

27. Reuters, Shanghai, April 14; also Military Attaché American Embassy, Peiping.

28. Womei reports during April.

- 12 -

On April 13 three Japanese bombing planes, apparently part of the group which raided Hengtze the same day, attacked a passenger plane of the Sino-German Eurasia Company in the air near the Yunnan-Indochina frontier; the plane was forced down and the German pilot was injured.²⁹ This was the fourth commercial plane shot down by the Japanese since the commencement of hostilities.

Chinese and independent sources reported that heavy Chinese civilian casualties were caused by Japanese raids on various populous cities during the month, particularly at Hengyang (approximately 2,000, as well as several hundred wounded Chinese soldiers burned as the result of the bombing of a hospital, which was clearly marked by Red Cross flags), Foochow (several hundred), Ichang, Nanking and Ningpo; severe property damage was also reported. From a practical viewpoint, the question may well be raised whether any advantages gained by the Japanese as a result of their continued and indiscriminate bombing of populous cities can compensate for the bitterness and increased determination to resist engendered in the Chinese people by the wanton killing of their civilians and the destruction of their homes. Competent observers of the present hostilities have often remarked that the Japanese bombing of civilians has been one of the most potent factors in the hardening of the Chinese will to resistance.

The Japanese bombings of American and British properties are reported above (see page 2 and page 4).

Chinese reports indicated that the Chinese air force was somewhat more active during April than in March,

²⁹ Reuters, Chungking, April 14.

³⁰ Shanghai Evening Post & Mercury, Shanghai, April 16 (giving report of foreign eye-witness).

- 13 -

although there was but little independent information available. According to Chinese reports, the Chinese air force bombed Japanese positions and troop concentrations at Manchang April 7, in Kwangtung April 8, and at Kuning April 24; bombed Japanese airdromes at Hangchow April 13 and at Yuncheng, Shansi, April 29; and supported Chinese ground attacks in several sectors.³¹ The Chinese also claimed that on April 29 their planes shot down three Japanese planes which were participating in a raid on a Chinese air base at Nancheng, Shansi; Japanese reports admitted the loss of two planes but claimed that eleven Chinese planes were shot down; independent reports on the encounter were lacking.

8. Japanese controlled regimes
in the occupied areas:

On April 20 the "Wuhan Special Municipality" (Hankow, Hanyang and Yuchang) was established under Japanese auspices with a Chinese mayor and chairman of the municipal council. The Japanese set up a Chinese board of councillors to prepare for the establishment³² of a provincial and possibly regional government.

The Japanese press reported that a "Peace Maintenance Commission" was inaugurated April 15 at Manchang,³³ Shansi.

³⁴
According to Japanese press reports from Kalgan, Prince Teh of the "Inner-Mongolian Autonomous Government" assumed April 29 the chairmanship of the "Mengchiang Joint Committee", composed of representatives of the Mongolian, South Chahar and North Shansi "autonomous governments".

A

31. Reuters, Chungking, April 30.

32. Hankow's May 3, 3 p.m. to Embassy (Peiping) and Department (monthly summary).

33. Domesi, Nanchang, April 15.

34. Domesi, Kalgan, April 29.

- 14 -

A number of high officials of the "Reformed Government" at Nanking proceeded to Japan during the month ³⁵ "to pay their respects to the Japanese Government"; and several officials of the "Provisional Government" at Nanking went to Tokyo for "consultation".

h. Japanese failure to obtain Chinese cooperation in the occupied areas:

No definite developments were reported during the month in regard to Japanese efforts to enlist the services of Marshal Wu Pei-fu, Wang Ching-wei or other prominent Chinese in the Japanese controlled regimes and in the work of pacifying the occupied areas.

Reports from competent neutral observers indicated that, in large sections of the occupied areas, Japanese actions, in particular the lack of discipline and restraint on the part of their military forces, have tended to render ineffectual the announced Japanese policy of gaining the confidence and obtaining the cooperation of the Chinese populations in the occupied areas. In a number of districts in China the Japanese have been presented with golden opportunities for obtaining the confidence and cooperation of the Chinese populations by the exhibition of disciplined, well-behaved troops and by the installation of efficient, honest local administrations; in general, however, these opportunities have been thrown away as a result of the shortsighted policies of Japanese military and civilian advisers and the unbridled conduct of the Japanese military forces in some areas. In consequence, the Japanese have aroused the bitter hostility of the Chinese populations over a great part of the occupied

areas

35. Embassy's (Nanking) May 1, 9 a.m. to Embassy (Peiping) only (monthly summary).

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

- 15 -

areas.

The following excerpt from a report recently prepared by the American Consul General at Canton is an illuminating commentary on the failure of the Japanese to take advantage of their opportunities, and presents, as well, a picture of conditions now obtaining in that area:

When the Japanese first arrived in this area many Chinese people, according to well informed observers, were not strongly anti-Japanese, and it was felt by some observers that the Chinese would be responsive to decent treatment on the part of the Japanese. The Chinese were said to have felt that the National Government had failed them in not providing adequate protection against the Japanese. However, brutal treatment of Chinese by Japanese soldiers; frequent and oppressive demands of Japanese soldiers for Chinese women; frequent cases of soldiers forcing the sale of goods at ridiculously low prices (or without payment) at the point of the bayonet as it were; employment by the Japanese of Chinese carpet-baggers, scoundrels and profiteers, et cetera, have caused wide-spread hatred of the Japanese. Another factor is the proneness of the Japanese wantonly to destroy private property or convert it to their immediate use.

"Canton is now filled with professional robbers and bandits as well as with many destitute persons who are forced to rob and steal in order to live, responsibility for which situation rests entirely with the Japanese because of the inadequate and in some respects ill-conceived measures which they have adopted for the maintenance of peace and order. In fact, it would seem that the Japanese could not have created a situation more inimical to their oft-repeated desires of winning the confidence of the Chinese people and obtaining the return of well-to-do Chinese to Canton than they have done. Although the opinion is held in some quarters that the opening of the Pearl River to commercial navigation might be expected to bring back Chinese merchants, I seriously doubt that that measure alone would now have any effect. Respect for private property and person and the maintenance of a fair degree of peace and order (in which Chinese police should play a much larger role than they have

in

36. Canton's despatch No. 50, April 24, 1939, to the Department "Conditions in Canton and Vicinity".

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

- 16 -

in the past), to say nothing of improved conditions in the interior which would be necessary in order that any worth while business might be developed, would appear essential to bring about the results desired.

"In effect, although the Japanese have been in occupation of Canton and the surrounding area for six months they have accomplished practically nothing. The make-shift puppet regime (Peace Maintenance Commission) still functions, conditions within the city are probably more disturbed than at any time since the Japanese occupation, and no progress has been made in inducing well-to-do Chinese to return to Canton. In other words, the population of Canton now here is more of a liability than an asset to the Japanese and the market for Japanese products which have been imported duty-free is, except for a few necessities, limited almost entirely to the Japanese population, very many of whom are petty shopkeepers who are without adequate means to gain a livelihood, particularly under existing adverse conditions."

The following incident, illustrating the manner in which licentious action by undisciplined Japanese troops tends to prevent the return of Chinese civilians to districts from which they have fled on the approach of the Japanese (thus depriving the Japanese of the products of their industry and toil), was recently reported by a foreign observer in Shansi Province:

"It seems that the Japanese are anxious to get the people to come back to the city. They have discovered that an empty city is of little use. The peasants of ... went back and took the Japanese at their word. They were given five dollars apiece, some grain, a little bag of salt, some sugar and candy. Even some of the women came back. But before the week had passed, the Japanese had broken their promises; they started coercing the men and raping the women and it was not long till ... was practically empty. Now every one is afraid to go back to occupied places."

Foreign correspondents who visited Kaifeng April 24
 38 reported that General Hu Yu-kun, in charge of the

Japanese

37. Report, dated March 23, 1939, of Mr. H. E. Sollenberger, Church of the Brethren Mission, Liaochow, Shansi.
 38. Embassy's (Peiping) 201, April 26, 5 p.m.

- 17 -

Japanese controlled "Pacification Commission" at Kaifeng, had practically no troops and was apparently accomplishing nothing. The correspondents, who had visited Kaifeng ten months previously, just after its capture by the Japanese, reported that no change for the better was evident, and they were informed by a foreign missionary resident there that the Chinese population was poverty stricken.

Conditions in some areas under Japanese occupation, notably Peiping and Tsingtao, are undoubtedly better than those obtaining in the regions mentioned above, but in general the Japanese do not appear to be succeeding in gaining the confidence of the Chinese populations in the occupied areas, and have likewise failed in obtaining the cooperation of influential Chinese in the work of administering and pacifying those areas. As has previously been reported, the Chinese serving in the various Japanese controlled regimes appear to be, with few exceptions, men of little influence and repute, and the Chinese troops operating with the Japanese forces are reported by neutral observers to be but little better than bandits.

Unless the Japanese are able to effect a radical improvement in these matters, and, in particular, unless they are able to control the actions of their troops, they will continue to arouse the hostility of the Chinese populations in the occupied areas and to encounter delays and difficulties in their plans for those areas.

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese relations.

Report concerning -, for month of May, 1939.

aa

793.94/
15212

For the original paper from which reference is taken

See despatch # 2097
(Despatch, telegram, instruction, letter, etc.)

Dated June 15, 1939 From China (Lockhart)
To

File No. 893.60 P.R./158

15212

DECLASSIFIED: E.O. 11652, 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. Japan:

a. The military situation:

793.94
 Japanese offensive in northern Szech, after some initial success, was finally thrown back with heavy losses through having over-extended itself and because of Chinese counter-attacks; the American Military Attaché at Peiping considered this to be the most serious reverse suffered by the Japanese since the battle of Taierhuang in April 1938. There were no particularly important operations elsewhere during the month, although fighting occurred in several sectors. It is reported that approximately 65,000 Japanese reinforcements arrived in North China (including Shantung) during May.

Due to the scarcity of reliable information, observers of the present hostilities have found it difficult to estimate the military casualties suffered by the Chinese and Japanese. The American Military Attaché at Peiping believes that the total Japanese casualties to the end of May 1939 may be roughly estimated at around 600,000. The French Military Attaché at Peiping places the total Japanese casualties at approximately 700,000, of which he estimates that 180,000 to 200,000 have been killed, died of wounds or died from disease; he is of the opinion that the Japanese casualties from disease were particularly heavy during the Yangtze campaign of the summer of 1938. The Chinese military casualties are believed by foreign military observers to be at

- 9 -

17
least twice those of the Japanese.

b. Operations in Central China
north of the Yangtze: 18

It will be recalled (Embassy's report for April) that at the end of April three Japanese divisions were concentrated in northern Hupeh. On May 8 the Japanese commenced a general offensive, with the immediate objective of breaking up a large concentration of Chinese troops under General Li Tsung-jen in the Taieh Mountains, northwest of Suhsien, Hupeh. Two Japanese divisions based on Yingshan and Anlu (Yan) attacked northwest against the Chinese left flank and center, and a third division with a cavalry brigade attacked north from Chungsiang against the Chinese right flank. After meeting stubborn resistance and suffering heavy losses, the Japanese right flank forces captured Tangho, Honan, May 11 and Sungpo (Tungpeh), southern Honan, May 15; Tsaochang, Hupeh, was captured May 15. On the Japanese left flank, the cavalry brigade advanced rapidly, taking Yungchiatien (15 miles northeast of Ichang, Hupeh) May 9; this advance resulted in the withdrawal of the Chinese troops in that area in order to avoid a general engagement which would have committed the main Chinese forces - the main forces thereupon withdrew to the general line Siangyang-Tsaochang-Yinchiatien. On May 18 a small Japanese unit from Sinyeh, Honan, reached Tangho, Honan, thus completing the encirclement of 20 Chinese divisions. At this time 40,000 Japanese troops were engaged, and both sides had suffered heavy casualties,

the

17. Information furnished by American and French military attachés, Peiping.
18. Prepared in collaboration with the office of the military attaché, American Embassy, Peiping.

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the Japanese air bombing causing particularly severe losses to the Chinese troop concentrations.

The capture of TsaoYang was the high point in the Japanese attack and Japanese press reports spoke of the "steel circle" which threatened to annihilate one-third of the Chinese forces in Central China. On May 14, however, the tide turned - General Li Tsung-jen's Kwangsi troops counter-attacked southeast and southwest from Kanyang, Honan, recapturing Hsiayeh and Tangho May 16. By May 18 the Chinese counter-attack was in full force throughout the entire Tapieh Mountain area and the Japanese were in general retreat from Ichong, TsaoYang, and Hsihsien. Hsihsien was recaptured May 23 and the Japanese withdrew to their bases at Hanyang, Yingshan and Changsiang. The Chinese claimed that the Japanese casualties in these operations were heavy (two Japanese regiments were, reportedly, practically wiped out south of TsaoYang May 22), and also claimed that the Japanese had abandoned considerable military equipment during their retreat.

The American Consul at Hankow, in a telegram dated May 27, stated that it was the general belief in non-Japanese circles that the Japanese offensive in the Hupeh-Honan border area had (1) temporarily occupied the towns claimed, (2) failed to annihilate any considerable bodies of Chinese troops, and (3) was finally reversed with serious losses through having over-extended¹⁹ itself and because of Chinese counter-attacks. The American Military Attaché at Peiping considered that "the Japanese in this offensive suffered their worst

Reverse

19. Hankow's 116, May 27, 12 noon.

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

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reverse since the battle of Taierchwang", and expressed the opinion that "with the initiative in their hands, to deliberately hand to the Chinese the advantage of defending themselves in mountain country was a strategic blunder, due ... to a gross under-estimation of their opponents' strength".
 20

It should be mentioned that on May 8, in an endeavor to divert the Japanese from their attack in the Taiieh Mountains, the Chinese made several advances north and south of Chungsiang, and on May 15 they again advanced from the Han River, occupying Yuehchow May 15. In eastern Hupoh, the Chinese on May 10 occupied Kacheng, which had been evacuated by the Japanese when they shifted their troops west of the Peiping-Hankow Railway, and in a few days, due to Japanese withdrawals, this entire area east of the railway was occupied by Chinese forces.

c. Operations in Central China
south of the Yangtze:

The Japanese offensive in northern Hupoh was followed by renewed activity in southern Hupoh and northern Hunan, east of Tungting Lake, which was believed to preface an advance on Changsha.
 21
 Heavy fighting was reported at Kengchow, Hunan, 20 miles southeast of Yochow, and at other points, but the Japanese were unable to make any considerable advance and it seemed apparent that their forces in that area were not strong enough to carry out a substantial offensive.

Fighting was reported in the Kiangsi region during the month, but no marked gains were made by either Chinese or Japanese.

d.

20. Situation Report No. 9772, June 15, 1939, by American Military Attaché, Peiping.
 21. Hankow's June 6, 2 p.m. to Embassy (Peiping) only (monthly political summary).

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d. Japanese operations:

There were no important military operations during the month in South China. Fighting was reported in the Hongkou-shanghai area south of Canton, and also along the front north and east of Canton. Japanese army units on Taiwan Island, assisted by naval aircraft, continued their operations against the bases of Chinese regular and irregular forces.

According to Japanese reports, Japanese forces in Hoken Province north of the Yellow River (which were reportedly reinforced by one division during the month) captured Penghsien and Taiyuan May 7 and 8; it is understood that these cities were recaptured by the Chinese May 18.

e. Military activities in the occupied areas:

The Japanese continued to report complete success in all encounters with Chinese guerrillas in Hoped and Shensi provinces, but these reports were not confirmed by neutral observers. The Japanese were reportedly unable to extend their control into the interior beyond the main routes of communication. The Japanese announced during the month that they had occupied Nanchuan, a noted mountain and reported guerrilla center in Shensi. This was the fourth time since the commencement of hostilities that the Japanese have announced the occupation of a town.

According to a neutral report from Taiwan, 25,000 Japanese reinforcements arrived in Shanghai during May.

The

22. Canton's June 2, 8 p.m. to Embassy (Peking) only
(monthly political summary).

23. Tientsin's despatch No. 808, June 7, 1939, to Embassy (Peking) (copy to the Department) - "Political Report for June 1939".

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The same source reported that guerrilla activities were not relaxed, and that sporadic fighting during the first half of May culminated in a Chinese attack on Tsinan on the night of May 18, which was frustrated by Japanese intelligence of the Chinese plans; fighting continued for four days, however, before the Chinese withdrew or were repulsed. This neutral observer stated that Chinese guerrillas were effective in prolonging the maintenance of considerable Japanese military forces in Shantung at heavy expense, and also impeded the acquisition by the Japanese of farm products as well as the distribution of imported Japanese goods.

Reports from Tsingtao indicated that the Japanese carried out an effective campaign against guerrillas north of Tsingtao during the month. Frequent Japanese bombing expeditions were made in the Laiyang district of the Shantung peninsula, during one of which Japanese airplanes bombed an American mission (see page 3).

Japanese troops in the Hangchow area were vigorously attacked by Chinese regular forces who cut the Shanghai-Hangchow Railway three times in two weeks during May.

A neutral report from Hankow stated that Chinese activities behind the Japanese lines continued undiminished, inflicting persistent small losses on the Japanese.

The (British) North China Daily News, Shanghai, published May 26 a special article on conditions in

Anhui

- 24. Tsinan's June 1, 5 p.m. to Embassy (Peiping) only (monthly political summary).
- 25. Tsingtao's June 7, 11 a.m. to Embassy (Peiping) only (monthly political summary).
- 26. Shanghai's June 1, 4 p.m. to Embassy (Peiping) only (monthly political summary).
- 27. Hankow's 116, May 27, 12 noon.

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Anhui Province, in which it was asserted that "a large area of that province, once conquered by Japan, has been reconquered by guerrillas except for the cities along the Yangtze and narrow strips of territory along the railways". The newspaper declared that on May 5 some guerrillas actually entered Anking, the provincial capital, and engaged in street fighting; the arrival of Japanese airplanes compelled them to leave, but they were reportedly able to take away with them a large quantity of supplies, including arms and munitions, which was the object of their attack. According to a Chinese military communique reported by Reuters from Chungking May 7, the attack on Anking was made by Kwangsi troops.

f. Aerial activities:

The Japanese air force was extremely active during May. Japanese bombing planes devoted particular attention to Swatow, Foochow, Ningpo and other cities along the Kwangtung, Fukien and Chekiang coasts, and numerous raids were made on and behind the Chinese lines, including several exceptionally severe attacks on Chungking.

According to Japanese and other reports, important raids were made on Shensiing, Chekiang (May 2); Chungking (May 3, 4, 12 and 23); Swatow and vicinity (May 4, 5, 6, 14, 17, 18 and 24); Nanchong and Sian, Shensi, and Loyang, Honan (May 7); Foochow and vicinity (May 7, 8, 9, 16, 18, 19, 26, 28 and 29); towns near Amoy (May 7 and several other times); Mokanshan, Chekiang (May 8); Ichang, Hupeh (May 8); Ningpo, Chekiang (May 12 and

other

- 15 -

other times); Hongyang, Hunan (May 18); Tungkuang, Shenai (May 18 and 19); Shekki, Kwangtung (May 24); and Chackwan, Kwangtung (May 25).

According to neutral reports, Japanese bombings during the month continued to cause heavy Chinese civilian casualties and damage to property. The American Vice Consul at Foochow reported that 49 Japanese air raids were made in the Foochow consular district during May, inflicting approximately 400 casualties, and causing a general exodus of the population from Foochow; he added that there had been no sign of panic and that the Chinese authorities maintained efficient control over the ²⁸ populace. The American Consul at Swatow reported that 218 casualties, all civilians, were caused by 19 Japanese air raids on Swatow during May, and that the comparatively small number of casualties was probably due to the evacuation policy which was successfully pursued by ²⁹ the Chinese military authorities.

The heaviest casualties were caused by a series of ruthless Japanese air raids on Chungking May 3, 4, 18 and 25 (made, respectively, by 45, 27, 27 and 26 naval bombers), which, according to authoritative reports ³⁰ from Chungking, resulted in approximately 10,000 casualties, chiefly civilians, as well as widespread destruction of property through the use of incendiary bombs. The Japanese claimed that their planes were intent only on the destruction of military objectives, but neutral military observers at Chungking reported that the damage

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28. Foochow's June 4, 5 p.m. to Embassy (Peiping) only (monthly political summary).
29. Swatow's June 2, 6 p.m. to Embassy (Peiping) only (monthly political summary).
30. Reuters, Chungking, May 31.

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to military objectives was practically nil.

The American Ambassador at Tokyo, acting under instructions from the Department of State, made emphatic oral representations May 11 to the Japanese Foreign Minister against the recent indiscriminate bombings by Japanese forces in China, basing his representations primarily on humanitarian grounds involving the safety of non-combatant civilian populations and furthermore on the grounds of the serious risks involved in jeopardizing the lives and property of American nationals both official and private. The Foreign Minister's only comment was the formula previously advanced a number of times that every effort was made by the aviators to avoid accidents when bombing military objectives but that he would convey the Ambassador's representations both to the military and naval authorities. It is understood that on May 12 the British Embassy at Tokyo made representations to the Japanese Foreign Office on general humanitarian grounds and also in regard to the bombing of the British Consulate at Chungking May 4, when a bomb fell in the consular premises, killing and wounding some of the Chinese staff of the Consulate and causing some property damage. The French Embassy at Tokyo, reportedly, also made representations to the Japanese Foreign Office.

The Chinese air force was apparently not particularly active during May, although a number of raids on Japanese military positions and troop concentrations were

reported

31. Tokyo's despatch to the Department No. 3898 of May 17, 1939, "Japanese Bombing of Chungking".
32. Tokyo's despatch to the Department No. 3898 of May 17, 1939, "Japanese Bombing of Chungking".

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reported. The Chinese air force was severely criticized in the foreign press and by neutral military observers for its failure to prevent the Japanese air raids on Chungking. Apparently the opinion was shared by General Chiang Kai-shek, as a new head of the air force was appointed during the month.

7. Political activities in the occupied areas:

It was announced that the fifth meeting of the "United Council" of the Japanese controlled Peiping and Hankow regimes, scheduled to be held at Hankow in May, would be held at Peiping in June; it was stated that the agenda would include the discussion of economic issues demanding immediate action, exploitation of salt in Haichow, interchange of goods between North and Central China, and measures to deal with the notes issued by the "Federal Reserve Bank" in North China and the "Hua Hsing Commercial Bank" of Shanghai.

Reports from Hankow indicated that no progress appeared to have been made toward the establishment of the provincial or regional government which had been announced as the next step in the political program of the Japanese Army special service section at Hankow.

The American Vice Consul at Tainan reported that "there is apparently no phase of Chinese economic, social or religious life over which the Japanese Army is not endeavoring to exercise control through the special service section. It became more and more obvious during May that neither the puppet Governor nor his Japanese adviser have been vested with any real authority, which

continues

33. Samei, Peiping, June 1.

34. Hankow's June 6, 2 p.m. to Embassy (Peiping) only (monthly political summary).

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

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35
 continued to be wielded by the military".

There were unconfirmed reports during the month that Wang Ching-wei had left his seclusion in Indochina, his destination being reported as Shanghai or Japan. The impression prevailed among usually well informed Chinese circles in Peiping that Wang Ching-wei might shortly be induced by the Japanese to accept position in the Japanese controlled regimes, possibly as head of some sort of loosely centralized federal government for the occupied areas, or, perhaps, as the head of the "Provisional Government" at Peiping, displacing the present head, Wang Teh-min, who is rumored to have lost favor with the Japanese. Although no definite developments were announced, the report that Wang Ching-wei would shortly accept office in the Japanese controlled regimes was given considerable credence, particularly in view of the fact that the lifting of the press ban in Chungking on the publication of attacks on him (see Embassy's report for April) indicated that the National Government had definitely abandoned all hope of a change of attitude on his part.

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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

July 26, 1939.

Canton's despatch no. 57 of June 14 reports that a local official called on the foreign consular representatives in behalf of the Chairman of the Peace Maintenance Bureau of the Japanese sponsored Peace Maintenance Commission; that he was received by all the consular representatives except the British; that the German and French consuls returned the call by sending a card with a Vice Consul; that the American Consul General plans to do likewise, sending a personal card.

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

No. 57

RECEIVED
DEPARTMENT OF STATE

Gr
Myers

1. U.S.A.

AMERICAN CONSULATE GENERAL

1939. JUN 14 PM 2 20

Canton, China, June 14, 1939.

SUBJECT: Kwangtung Peace Maintenance Commission;
calls on Consular Officers.

Division of
EASTERN AFFAIRS

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

SIR:

793.94/14641

Referring to my despatch no. 3 of December 29, 1938, reporting the establishment of a new Japanese-sponsored regime in Canton, namely, the Kwangtung Peace Maintenance Commission, I have the honor to enclose herewith a copy of a communication of May 23, 1939, from Lu Ch'un-yung (吕春荣), concurrently head of the Peace Maintenance Bureau (of the Peace Maintenance Commission of which he is Vice Chairman). It will be noted that reference is made in the communication to a call by a member of the Bureau (Kao Chen-tung) at this Consulate General and that the statement is made that Lu will assume responsibility for according protection to nationals of friendly countries and to their trade. This communication has been filed without acknowledgment.

On May 20 while I was on leave in Hong Kong, Mr. Kao (or General C. T. Koo, the name given on his card) called at this office with the card of General Lu Ch'un-yung. He was seen by Consul Fletcher, to whom Mr. Kao presented the compliments

ASSISTANT SECRETARY
OF STATE

JUN 28 1939

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

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compliments of General Lu and stated that the General was pleased to offer the facilities of his office to the American Consul General. Mr. Fletcher informed him that I was in Hong Kong but that the message would be delivered to me upon my return to Canton. Mr. Kao thereupon departed.

It has been learned that Mr. Kao also called at the German Consulate General and the French Consulate where he was respectively received by the German Vice Consul (the German Consul General having been occupied with another visitor at the time) and by the French Consul. Mr. Kao called at the British Consulate General but was not received by any member of the staff of that office.

Both my German and French Colleagues have returned the call by sending their cards to General Lu by the hand of a vice consul.

The British Consul General has informed me that his instructions are to the effect that he should have no relations with the puppet regime and that he therefore did not receive General Lu's representative when he called. The Consul General has consulted me in regard to our instructions in such matters, and it is my impression that he is inclined to recommend a procedure similar to that outlined in the Embassy's instruction of December 8, 1938 (summarizing the Department's instructions of December 15, 1937 and January 18, 1938).

I intend returning the call in the very near future by sending an officer to leave my personal card at General

Lu's

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

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Lu's office. It may be mentioned that during the reception given by the Japanese Consul General on the occasion of the anniversary of the Japanese Emperor's birthday, I was introduced to and exchanged a few words with both the Chairman and the Vice Chairman of the Commission. Several of my colleagues but not the British, it may be added, also met them at that time.

As a matter of interest in connection with the subject matter of this despatch, reference is made to my political report for the month of April, 1939, in which mention was made of the call, on the local Italian Consul, of Mr. P'eng Tung-yuan (彭東原), Chairman of the Kwangtung Peace Maintenance Commission. It is understood that the Italian Consul has personally returned this call.

Respectfully yours,


M. S. Myers,
American Consul General.

Enclosure:

1/- Copy of communication dated May 23, 1939,
from General Lu Ch'un-yung.

Copies sent:

Original and 4 copies to Department.
One copy to Embassy, Peiping.
One copy to Embassy, Chungking.

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MSM/cow

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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. 57 DATED JUNE 14, 1939,
 FROM M. S. MYERS, AMERICAN CONSUL GENERAL, CANTON, CHINA,
 ON THE SUBJECT "KWANGTUNG PEACE MAINTENANCE COMMISSION;
 CALLS ON CONSULAR OFFICERS."

(COPY)

From: The Peace Maintenance Bureau
 of the Kwangtung Peace Main-
 tenance Commission.
 Despatch No. 34, Character "Chung".

Subject: Protection of Foreigners in Canton.

(Suggested Translation).

THE PEACE MAINTENANCE BUREAU
 OF THE KWANGTUNG PEACE MAINTENANCE COMMISSION.

May 23, 1939.

Sir:

I have the honor to state that following the change in Canton I placed on my shoulders, at the request of various classes, the responsibility of maintaining local peace and order. Originally, I planned to go to the Consulate General to hear your kind advice but eventually I could not do so because of the many affairs awaiting my urgent attention, for which I wish to apologize.

Recently, I detailed Mr. Kao Chen-tung of this Bureau to convey my best regards to you, and the courtesy which you extended to him is much appreciated. While local peace and order are enjoyed here by the people, it was inevitable that they should have been disturbed by the carrying out of the Chiang Government's plots. This is, indeed, a very unfortunate matter. To get rid of lawless elements and to protect the good citizens, repeated steps have been taken to seek traitors and spies. At present, trade in Canton has been satisfactorily restored and local prosperity is increasing. This I wish to mention in order to reassure you.

I wish to assure you that in the execution of my duties, I will do whatever is in my power to maintain local peace and order and will assume the responsibility of according protection to nationals of friendly countries and to their trade. Therefore, it is earnestly hoped that you will give me at any time service to assist me in what I fail to do in this connection.

I have the honor to be, Sir,
 Your obedient servant,

Lu Chun-yung (Seal)
 Concurrently Head of the Peace Main-
 tenance Bureau.

(SEAL OF THE PEACE MAINTENANCE BUREAU OF THE
 KWANGTUNG PEACE MAINTENANCE COMMISSION).

The Honorable
 M. S. Myers,
 American Consul General,
 Canton, China.

SSL/ccw

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

TELEGRAM RECEIVED

AC

GRAY

1-1336

FROM

Foochow via N.R.

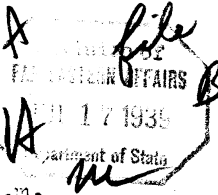
Dated July 13, 1939

Rec'd 10 p.m., 14th

Secretary of State

Washington

July 13, 10 p.m.



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

793.94

Reliable information reaching here yesterday and today indicates that reported landings by Japanese on Haitan Island on July 6th and 7th were effected by a force of 400 Chinese and Formosan bandits with the assistance of less than 40 Japanese, although the first landing at the Hsien city was covered by heavy guns from four Japanese naval craft. Bandits are reported to have promised Japanese to watch men to aid in attack on Futsing and Diongloh (Changleh). Heavy imports of cheap Japanese goods into Haitan are reported, and efforts are being made to effect their distribution on the opposite mainland.

Rumors of occupation of American mission property on Haitan are being investigated.

Between 8:40 and 9:45 yesterday morning four Japanese planes bombed Yenping (Nanping); between 1:30 and 2:15 in the afternoon six Japanese planes bombed the Chang^{meu} (~~meu~~) forts; extent of damage is not known.

Japanese

793.94/15214

F/FG

FILED
JUL 19 1939

- 2 - July 13, 10 p.m. from Foochow

Japanese planes reconnoitred throughout the day today over Santuao, ~~Wog~~ island, Hankong (Hsinghua), Futsing, and Diongloh. Haitan was bombed at about 9:30, and Putien and Hankong were bombed between 1 and 2 in the afternoon. Details as to damage and casualties are not yet available.

The new salt warehouses at Maikinshan south of Hankong were destroyed by Japanese bombing planes at 8 a.m. on July 11th, according to eye witnesses report.

Japanese naval craft at the mouth of the Min River are now reported to be reduced in number to 3: 1 destroyer, 1 transport, and 1 trawler.

Sent to Peiping, repeated to Chungking, Shanghai.

WARD

WVC

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

TELEGRAM RECEIVED

EG

1-1336

FROM

PLAIN

Shanghai via N. R.

Dated July 15, 1939

Rec'd 11:20 a.m.

Secretary of State

Washington.

605, July 15, noon.



Japanese Consul General has today communicated to senior consul for information of consular representatives a notification also dated today from Commander-in-Chief of the Japanese China seas fleet reading as follows:

"One. The Japanese naval forces will commence military operations against Hingwa on Wednesday the nineteenth July, nineteen thirty nine, at eight a.m. (Japan time). It is requested, therefore, that third power vessels, including men of war, staying in Hingwa Bay leave it by the said hour. From that time the entrance to the said bay will be closed by means of obstacles and dangerous objects for the necessity of military operations and accordingly passage into or out of the bay will become impossible after that hour. The Japanese authorities cannot assume any responsibility for losses, either direct or indirect, that might be suffered

by

15658

LEGAL ADVISER

JUL 19 1939

DEPARTMENT OF STATE

793.94/15215

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JUL 19 1939

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

15659

-2- #605, July 15, noon, from Shanghai via N. R.

by vessels remaining within the bay after the said hour.

Two. The obstacles and dangerous objects will be placed at the eastern part of Highwan channel and at the southern part of Nan-Jih channel.

Three. Since the areas in the vicinity of Hinghaw will become zones of hostilities, third powers nationals residing in the said areas are hereby requested to evacuate as soon as possible."

As the American position in regard to notifications of this nature has been made clear to Japanese authorities on several occasions, I shall not reply to the Japanese Consul General's communication unless instructed to do so.

Repeated to Chungking, Peiping, Commander in Chief and Foochow by airmail to Tokyo.

GAUSS

FS

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

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TELEGRAM RECEIVED

AC

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

Hankow via N.R.

FROM

Dated July 14, 1939

Rec'd 6:30 a.m., 15th.

Secretary of State

A-M/C Washington

FILE-C-80, July 14, 6 p.m.

Situation at Hankow.

One. The Japanese Consul General asked the French

Consul to open all gates into the French concession

from July 1st to all traffic including heavy motor

trucks. The French Consul replied that the population

of the concession was still much above normal, that

in summer the streets were thronged with people especially

women and children, that to open additional

gates and streets to motor traffic would be dangerous,

and that he must refer the request to his Embassy.

(END GRAY)

STRICTLY CONFIDENTIAL. The French Consul has informed his Embassy that he cannot be responsible for the safety of the concession if the gates are opened. End strictly confidential (GRAY). The one road in the concession open for through vehicular traffic is the Bund.

Two. On July 7th, anniversary of the commencement of hostilities, armed Japanese forming part of a parade organized in celebration of the occasion were not allowed

by the

COPIED
SENT TO C.I.F. IN
IN THE OFFICE

at paragraph six
Copy sent to Red Cross

Excerpt to Fed. Security
Agency for PHS

793.94/15216

FILED

F/A

15661

- 2 - #160, July 14, 6 p.m. from Hankow

by the French to pass along the French Bund until the Japanese requested and obtained the usual authorization from the French Consul, the French meanwhile landing sailors calling out troops and manning their defenses. On the request being made authorization was granted on condition that no political handbills were given out or demonstrations made.

Three. Representatives of the "Wuhan special municipal government" sought permission from the French authorities to post proclamations and distribute handbills and post kuomintang 5-flags in the French concession on July 7th. The French Consul agreed to permit the distribution of flags to those who wished to have them but refused to allow the posting or distributing of political matter or the forcing of flags on people in the concession. Handbills were nevertheless brought into the concession for distribution. The French authorities confiscated them and later sent them back to the "municipal" offices. The "Wuhan special municipal government" has protested to the French Consul.

Four. The local Japanese run press are trying to make an issue of these incidents as part of their campaign against the French concession and are threatening a blockade of the concession and the cutting off of water
and

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

15662

- 3 - #160, July 14, 6 p.m. from Hankow

electricity.

Five. The same newspapers continue in analytical form their scurrilous attacks on Great Britain and British interests, for example accusing a British hospital of concealing cholera cases and causing the spread of cholera as part of a British "bacillus policy against the people of Wuhan and the Japanese army and charging a British firm with using poisonous ingredients in the mineral waters it makes in the French concession. There have been no (repeat no) anti-foreign demonstrations but the atmosphere is being prepared in case the authorities should decide on them.

Six. The Japanese are worried by the increase of cholera among the Chinese population. This is principally due first to the failure of the Japanese to restore the water supply in many areas and second to their attempt to exclude the foreign hospitals and cope with the cholera situation through the inadequate and inefficient health organization of the local puppet regime. Repeated to Chungking, Peiping, Shanghai. Shanghai please air mail to Tokyo.

JARVIS

WVC

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

15663
 CONFIDENTIAL

Confidential

P A R A P H R A S E

A telegram (no. 160) of July 14, 1939, from the American Consulate General at Hankow, in regard to the situation at Hankow, reads substantially as follows:

One. The Japanese Consul General asked the French Consul to open all gates into the French Concession from July 1st to all traffic including heavy motor trucks. (The Bund is the one road in the Concession which is open for through traffic of vehicles.) The French Consul replied that the population of the concession was still much above normal, that in summer the streets were thronged with people especially women and children, that to open additional gates and streets to motor traffic would be dangerous, and that he must refer the request to his Embassy. (A message to the effect that, if the gates of the concession should be opened, he could not accept responsibility for the concession's safety was sent by the French Consul to the French Embassy.)

Two. On July 7th, anniversary of the commencement of hostilities, armed Japanese forming part of a parade organized in celebration of the occasion were not allowed by the French to pass along the French Bund until the Japanese requested and obtained the usual authorization from the French Consul, the French meanwhile landing

sailors

793.94/15216

DECLASSIFIED: E.O. 11652, 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-

sailors calling out troops and manning their defenses. On the request being made authorization was granted on condition that no political handbills were given out or demonstrations made.

Three. Representatives of the "Wuhan special municipal government" sought permission from the French authorities to post proclamations and distribute handbills and post kuomintang 5-flags in the French concession on July 7th. The French Consul agreed to permit the distribution of flags to those who wished to have them but refused to allow the posting or distributing of political matter or the forcing of flags on people in the concession. Handbills were nevertheless brought into the concession for distribution. The French authorities confiscated them and later sent them back to the "municipal" offices. The "Wuhan special municipal government" has protested to the French Consul.

Four. The local Japanese run press are trying to make an issue of these incidents as part of their campaign against the French concession and are threatening a blockade of the concession and the cutting off of water and electricity.

Five. The same newspapers continue in analytical form their scurrilous attacks on Great Britain and

British

DECLASSIFIED: E.O. 11652, 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-

British interests, for example accusing a British hospital of concealing cholera cases and causing the spread of cholera as part of a British "bacillus policy against the people of Wuhan and the Japanese army and charging a British firm with using poisonous ingredients in the mineral waters it makes in the French concession. There have been no anti-foreign demonstrations but the atmosphere is being prepared in case the authorities should decide on them.

Six. The Japanese are worried by the increase of cholera among the Chinese population. This is principally due first to the failure of the Japanese to restore the water supply in many areas and second to their attempt to exclude the foreign hospitals and cope with the cholera situation through the inadequate and inefficient health organization of the local puppet regime.

793.94/15216

FE:JEP:HJN
 7/18

FE:JEP
 8

1 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

LEGAL ADVISER

JUL 20 1939

TELEGRAM RECEIVED DEPARTMENT OF STATE

AC

PLAIN 15664

Shanghai via N. R.

Dated July 15, 1939

Rec'd 11:20 a.m.



Secretary of State

Washington

604, July 15, 11 a.m.

Japanese Consul General has today communicated

to senior consul for information of consular representatives

a notification also dated today from Commander-in-Chief

of the Japanese China Seas Fleet reading as follows:

"One. The Japanese naval forces will commence military operations against Shan-i, Kwangtung Province, on Tuesday the eighteenth July nineteen hundred thirty nine at eight a.m. (Japan time). It is requested, therefore, that third power vessels, including men of war, staying in the said harbor leave it by the said hour. From that time the entrance to the said harbor will be closed by means of obstacles and dangerous objects for the necessity of military operations and accordingly passage into or out of the harbor will become impossible after that hour. The Japanese authorities cannot assume any responsibility for losses, either direct or indirect, that might be suffered by vessels remaining within the harbor after the said hour. Two. The obstacles and

dangerous

793.94/15217

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

15685

- 2 - #604, July 15, 11 a.m. from Shanghai

dangerous objects will be placed at the western part of the mouth of Shan-i-go, Three. Since the areas in the vicinity of Shan-i will become zones of hostilities, third power nationals residing in the said areas are hereby requested to evacuate as soon as possible."

As the American position in regard to notifications of this nature has been made clear to the Japanese authorities on several occasions, I shall not reply to the Japanese Consul General's communication unless instructed to do so.

Repeated to Chungking, Peiping, Commander-in-Chief, Swatow and Hong Kong; by airmail to Tokyo.

GAUSS

KLP

724
DECLASSIFIED: E.O. 11652, 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

HRE

GRAY

1-1330

FROM CHUNGKING VIA N. R.

Dated July 16, 1939

Rec'd 9:50 a.m.

Secretary of State

Washington

July 16, 6 p.m.

Please repeat to Tokyo my 438 (repeat 438) July 13,
noon, which the commander in chief has been requested to
repeat to you, and say that Department has instructed me
to communicate this to Tokyo in order that my statement
therein contained may be brought to the attention of the
Japanese Foreign Minister. Sent to Shanghai.

JOHNSON

CSB

Air raids on Chungking

793.94/15218

FILED
JUL 19 1939

F/FG

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

LEGAL ADVISER

JUL 22 1939

TELEGRAM RECEIVED DEPARTMENT OF STATE

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

FROM

Swatow via N. R.

Dated July 15, 1939

Rec'd 8 p.m.

in paraphrase
COPIES SENT TO
O.N.I. AND
in confidence. c/s

Secretary of State
Washington.

43, July 15, 4 p.m.

Reference telegram No. 560, July 4, 1 p.m., from

Shanghai to the Department relative to the Japanese
notification regarding the entry of third power vessels
into Swatow.

The second
(A) merchant vessel operating in accordance with
the notification arrived this morning from Hong Kong
with thirty bags of mail and four passengers all of the
latter having received written permission from the
Japanese Consulate General in Hong Kong prior to
embarkation. Due to the failure of the shipping
companies to announce their sailings sufficiently in
advance it has been impossible to arrange shipments
of provisions in these ships as envisaged.

I am told by the commanding officer of the British
station ship that negotiations between the British and
Japanese naval authorities are now in progress in
Shanghai looking to the gradual relaxation of the local
shipping regulations and it is his belief that conditions
are improving.

Japanese

793.94/15219

JUL 24 1939

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

2- #43, July 15, 4 p.m., from Swatow via N. R.

Japanese Government chartered merchant vessels have been calling for some time bringing Japanese officials and businessmen but no general passengers nor cargo as yet but it is anticipated that the Japanese will endeavor to monopolize the bulk of the carrying trade before the port is thrown open to third power vessels in general.

Repeated to Chungking, Peiping, Shanghai.

YOUNG

EMB

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 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. 43) of July 15, 1939, from the American Consulate at Swatow reads substantially as follows:

For some time merchant vessels chartered by the Japanese Government have been touching at Swatow, bringing Japanese businessmen and Japanese officials but no general passengers and no cargo thus far. However, it is expected that before the port is opened generally to the ships of third powers, efforts will be made by the Japanese to monopolize most of the maritime transportation trade.

On the morning of July 15 (?) merchant ship, which was operating in conformity with the recent notification by the Japanese authorities concerning the entry into Swatow of ships of third powers (see telegram no. 560 of July 4, 1939, from the American Consulate General at Shanghai), arrived from Hong Kong carrying thirty sacks of mail and also bringing four passengers who had all, before embarking, obtained permission in writing from the Japanese Consulate General at Hong Kong. It has not been possible to make arrangements for shipment of supplies on these vessels as contemplated as the shipping companies fail to give sufficient advance notice of their sailings. The officer commanding the British station ship

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

CONFIDENTIAL

-2-

ship informed the American Consul that conditions are becoming better in his opinion and that negotiations with a view to the gradual easing of the local shipping restrictions are now being held at Shanghai between the British and Japanese naval authorities.

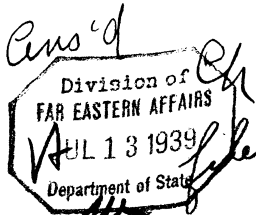
793.94/15219

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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

ROBERT W. THOMPSON
COUNSELLOR AT LAW
RAMSEY, N. J.
TEL. WYCKOFF 68



MASTER IN CHANCERY OF NEW JERSEY

July 14 1939

July 6. 1939

My dear Mr. Hull,

793.44

I hope you have not forgotten me. You may
realize how anxious I am to do my bit.

I have written some articles dealing with the
situation in the Far East and they are being published. Naturally
I have endeavored to present facts without prejudice or bias
but I am nevertheless convinced that Japan, by her invasion
of China after withdrawing from the League of Nations has
openly violated both the Nine Power Pact entered into at Washington
in 1922 and the Kellogg-Briand Pact signed at Paris in 1928.

We may be neutral but most of us who observe with
intelligence do not care to see England lose out at Tokyo
although as Mr. Zwingley has pointed out British policy toward
China has differed from that of the United States in several
respects, notably in that Great Britain, however much it may have
favored the Open Door and the integrity of China, has actually
participated in the seizure of Chinese territory and the demarcation
of foreign spheres of influence for control and we can appreciate
that prior to the Japanese invasion China has been demanding

793.44/15220

F/FG 5220

RECEIVED
DIVISION OF
FAR EASTERN AFFAIRS
JUL 13 1939
AM 9:07
MAIL ROOM

FILED
JUL 13 1939

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

a restoration of the exceptional privileges and concessions previously granted to foreign powers and the cancellation of extra territorial rights in local administration districts. This is what was meant by Wellington Koo when he told me that his countrymen were most of all grateful for the things the United States had not done for China.

Would you care to loan me one of the things I have been writing for the papers about the ambition of Japan to dominate the trade in the Orient?

Of course I can assure you of my grateful appreciation if you could furnish me with any publication of the State Dept. bearing on the progress of events in the Far East.

Sincerely yours

Robert W. Thompson

Hon Cordell Hull

Secretary of State

Washington D.C.

principles of International Law involved in our Relations to the Far East:

The situation in the Far East today is charged with dynamite and we hope that the ambitions of Japan are likely to meet with defeat. We try to be neutral but we are not indifferent to the price which threatens in the Japanese quarantine of foreign concessions, raising interesting questions in reference to extra-territorial rights of great powers, including Great Britain, France and the United States.

Some years ago Mr. Wellington Koo who by the way is a graduate of Columbia University and served as Chinese representative of his government at Geneva, said at a luncheon given to him in New York, that China felt not merely friendly to the United States but deeply grateful for the many nice things done for his people and he referred specifically to the return of the Boxer indemnities which were donated for educational purposes, but he added significantly that China was most of all grateful for the things that had not been done for China.

Pitt, the great English statesman, once said, "I have no fear for England; she will stand till the Day of Judgement."

Burke answered, "It is the day of no judgement that I dread."

Democracy is government by discussion, by talk. Politics can never be an exact science like mathematics. It deals with human beings and not with mere physical units like blades of grass or grains of wheat. When the subject is one of high foreign policy, the wrong words may raise issues not settled by dropping pieces of paper in a ballot box but by dropping bombs on cities.

Statesmen and leaders must talk and with newspapers and radio to help formulate public opinion, they cannot today like Pitt confine their speeches to the House of Commons.

Propaganda is on the increase at an accelerated rate and some advocates of a cause are more interested in persuasion than in proof. The difference between the Greek sophist and the modern demagogue, is just this: the one displayed his ingenuity by appearing to prove that which his hearers knew to be false, the other displays it by appearing to prove that which his hearers wish to be true.

Nations, like individuals, conform to the law of life and progress on air.

One war after another can be explained in terms of a nation's definite purposes to possess itself of a geographic unity as its home. The United States was founded by our fathers in a land at that time almost a wilderness and the nation has naturally and justifiably extended its frontiers. Other nations sought colonies and dominions in all quarters of the globe, feeling confident of their ability to hold an alien element in subjection and yet preserve national integrity and unity of spirit. Spain sought her possessions in a new world but failed to hold her colonies while England and France have been more successful because in large measure they recognized local needs and permitted the gradual and progressive development of autonomy and reciprocal trade advantage. This process of nation building has often led to conflicts and wars. A nation is not to be conceived of, however as an end in

itself, as superior to law, to the conventions of morality and to the precepts of religion. It is a false patriotism that finds in the nation itself the highest human end and overlooks the welfare and happiness of the individuals who compose it.

Robert W. Thompson
June 27, 1939
Ramsey, N. J.

JAPAN DEMANDS BRITISH GIVE UP CHINESE MONEY

\$6,369,000 Was Deposited
In English Banks
During War

ARBITRATE DISPUTE

Want Suppression Of
Anti-Jap Activities
In Concession

(By Associated Press)

Tokyo, June 28 — The Japanese government announced formally today that at the request of the British government it would negotiate with Britain at Tokyo on arbitration of the 2-week-old Tientsin dispute.

Britons hoped the negotiations would be limited to the Tientsin controversy, but Japanese were determined to include the question of British support of Japanese currency.

The announcement today, confirming previous unofficial assertions that the two powers would negotiate, said merely:

"In response to a British proposal the Japanese government have decided to conduct negotiations in Tokyo with a view to solving various questions relating to the present situation at Tientsin. Japanese officials concerned in Tientsin will be summoned to Tokyo for the purpose."

Neither the Foreign Office nor the British Embassy were informed as to when the Tientsin representatives would arrive, but they were expected within a few days. The conferences may begin before the weekend.

THEIR 4 DEMANDS

Domei (Japanese news agency) reported from Tientsin that the Japanese Army's minimum demands for ending their blockade of the British and French concessions in Tientsin were:

1. Joint British-Japanese control of terrorism.

2. Suppression of anti-Japanese activities within the concession.

3. Full co-operation on economic developments in North China.

4. The surrender of 48,000,000 yuan—currently about \$6,369,000—held in British banks in the Tientsin British Concession to the Japanese-dominated Peiping Government. This money was deposited by Chinese government organs driven from North China and the Japanese insist the Peiping regime is now the rightful owner.

These points are to be placed before the negotiations in Tokyo, the Domei dispatch said.

Qualified observers believed that if Great Britain agreed to back the Japanese federal reserve money, with which Tokyo has been trying to drive out Chinese dollars in North China since last winter, it would be tantamount to placing the assistance of American and other

(Continued on page 3)

The word "ideals" as it pertains to politics has, through long abuse, taken on a slightly absurd connotation. It would be easy to say there is no such thing except in the campaign pamphlets. Make up your mind for yourself.

Here is Robert W. Thompson of Franklin Lakes, who had been endorsed for the Democratic nomination for Congress in the Seventh District by a powerful amalgamation of district clubs and committees and who was ready to accept the designation until County leaders asked him to step down and become a candidate for an infinitely lesser office, that of Assemblyman. Thompson could have refused, could have filed his petitions, could have divided the party perhaps permanently. He didn't.

He stepped down. The nomination went to Colonel Edward W. Wildrick of Blairstown, almost unknown in the important area south of Sussex, virtually foredoomed to defeat at the hands of the man Thompson might have beaten, Representative Thomas.

Thompson might have sulked, might have denounced, might have organized an independent campaign, might have ridiculed the man who won the place he wanted. The least he might have done was ignore Wildrick.

It is customary for candidates to give parties to promote themselves with their constituencies. It is especially graceful for gentleman-farmer candidates like Thompson to throw open their estates for the people, to ply them with food, to demonstrate their kinship to the solid, simple things. A party on a farm, as every politician knows, makes votes.

Robert W. Thompson will give a party on his Franklin Lakes farm. Is party loyalty a meaningless phrase, idealism just a word? His party will be in the honor of an unknown man from the tall timber. His party will be for Edward W. Wildrick.

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

16

Planning for Economic Recovery

SPEAKING on the topic "Planning for Economic Recovery in America," Robert W. Thompson, prominent New York lawyer, was the guest at a recent meeting of the Washington Heights Chamber of Commerce. The Chamber was indeed fortunate in securing Mr. Thompson as its guest speaker, and its members were keenly interested in his timely address which was comprehensive and highly informative. Succinctly, his plan centers on the banking situation and shows the need for currency expansion to check the rising value of the dollar in this credit crisis.

We quote, "The contraction of credit and currency has been permitted to proceed when it is perfectly well known that it is the contraction of credit and currency—as the Democratic platform proclaims and the Republican platform confesses—which has caused these evils and created our distress. There is but one way to correct the evil consequences of contraction and that is to reverse the process of contraction and expand the currency upon which the credit structure rests, upon which it is compelled to rest. Economic recovery will come from the bottom up, when prices rise and money circulates in normal fashion. Thus only can equilibrium be restored and a well balanced trade may lead to more prosperous times. *** Summing up therefore in realistic fashion, we see why currency reform is suggested as a logical step leading to the following objectives in any reasonable plan for economic recovery. 1. Give employment to labor; 2. Revive business; 3. Raise the price level of commodities; 4. Help people to get out of debt; 5. Establish a just medium of exchange; 6. Utilize our present gold reserve."

Mr. Thompson, whose reputation as an attorney is founded on solid performance, has always been a public servant in the sense that he considers his profession as based on social and civic duty.

Fiscal Report of Pure Oil Company

CONSIDERING the business condition of the country, the recent financial report of the Pure Oil Company indicates an unusual record of satisfactory business and organization strength. The report shows what can be accomplished despite adverse conditions and with a tightening market. It demonstrates, moreover, that the Pure Oil Company is playing an important role in this salient industry, forging consistently ahead, and building upon the strong groundwork that it has established since its inception.

This organization reports for the year ended Dec. 31, last, a net income of \$109,316 after all charges and reserves, including minority interest, equal to 36 cents a share on the 300,000 shares of all classes of \$100 par preferred stock outstanding. This compares with a net income of \$470,178, or \$1.57 a share on the preferred stock, in the last fiscal year, which ended March 31, 1932. A profit of \$535,070 on the purchase of its gold notes for the sinking fund was realized in 1932, which was not included in earnings. The balance sheet as of Dec. 31, last, shows current assets of \$24,718,661 and current liabilities of \$11,852,549, as compared with \$26,063,508 and \$11,598,378 respectively, as of March 31, 1932.

The general public will find these figures an indication of an upgrade fight against the current depression. From the point of view of the public it signifies that the excellent service the company is rendering is justifying itself financially, thus permitting the company to maintain its high standards; while from the stockholders' point of view it justifies their continued loyalty and confidence in the executive management that is guiding the affairs of the organization.

Especially significant at this time is the statement emanating from Henry M. Dawes, president, who said:

"The whole crux of the difficulty at the present time is the inability properly to control a relatively small amount

Planning for Economic Recovery

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0257

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

DCR

July 14 1939

In reply refer to
FE

My dear Mr. Thompson:

Mr. Hull has asked me to acknowledge the receipt of your letter of July 6 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 bring your views to the Department's attention is appreciated. You may be assured that we welcome and give careful consideration at all times to expressions of opinion on any phase of our foreign relations.

In response to your request for publications of the Department bearing on the progress of events in the Far East, there are enclosed copies of various statements, as listed below, given to the press by the Department in regard to developments in that area. As of possible interest

Mr. Robert W. Thompson,
Counsellor at Law,
Ramsey, New Jersey.

0258

DECLASSIFIED: E.O. 11652, 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-

interest in connection with the general subject of this Government's foreign policy, there are enclosed also copies of addresses delivered by officers of the Department, the complete text of which you may not have had available.

Sincerely yours,

M.M.H.

Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs

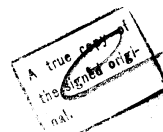
Enclosures:

Press statements of
July 16 (no. 342),
October 26 (no. 519),
November 4 (no. 532),
November 19 (no. 563),
December 31 (no. 636), 1938,
May 17 (no. 194),
June 19 (no. 262),
July 10 (no. 288), 1939;

Copies of addresses delivered by
Mr. Hull on August 16, 1938,
February 12, May 28, 1939;

Copies of addresses delivered by
Mr. Welles on January 27, April 13,
June 8, 1939.

CR
JUL 14 1939



egc
FE:EGC:HJM

7/13

call
FE

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

15666

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

7/18

SWB
MMH

As Chungking's
telegram July 17-noon
has been sent to
Tokyo no action
here seems necessary.
There appears no
objection to Johnson's
suggestion to Tokyo.
L128-

793.94/15221

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

15667

TELEGRAM RECEIVED

JR

1-1336

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

FROM

Chungking via N. R.

Dated July 17, 1939

Rec'd 8:10 a.m.

Secretary of State,
Washington.

URGENT.

FOR TOKYO.

July 17, noon.

Department's 202, July 15, 6 p.m. /15187

On re-reading my July 13, noon I feel that unless you
have already read my statement to the Foreign Minister and
did not (repeat not) omit assertion that no objects of
military character nor military forces were damaged, it
would be preferable to omit those statements. They could
by forced reasoning be construed as warranting the
inference that such objects and forces are in Chungking
in spite of my opinion expressed earlier that the city
is ~~unarmed~~ ^{unarmed} in any offensive sense.

Sent to Tokyo through Shanghai, repeated to Peiping.

JOHNSON

CSB

FILED
JUL 20 1939

793.94/15221

F/FG

WB
7/31/39

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Amoy/140 FOR #30

FROM Amoy (MacVitty) DATED June 5, 1939.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations Developments for the month of May, 1939.

793.94 / 15222

FRG.

15222

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

(b) Relations with Japan.

793.94

Early in May Japanese military activities around Amoy were intensified, especially aerial activities; bombing of mainland points adjacent to Kulangsu and Amoy was almost a daily occurrence. On May 9, two Japanese motor launches, loaded with troops, attempted to land on the mainland at Sungsu (where the Standard-Vacuum Oil Company and Asiatic Petroleum Company have their installations), but were repulsed by Chinese machine gun fire. On May 11, while proceeding to the Ferry Jetty at Kulangsu, Mr. Ang Lip Hoon, Chairman of the Amoy Chamber of Commerce and concurrently a member of the Amoy Peace Maintenance Committee (Puppet Government), was shot and subsequently died. Using the assassination as an excuse, the Japanese at 9:30 p.m. on the same evening landed between 150 and 200 marines, who took complete control of the International Settlement. From May 12 to 15 inclusive, armed bands of Japanese troops raided Chinese houses and arrested more than 200 Chinese, including one of British nationality,

on

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

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on suspicion of anti-Japanese activity. Numerous bands of armed Formosans roamed the streets completely terrorizing the population. Japanese machine guns were planted at strategic points and the Japanese flag was hoisted at each of these points. On May 15 the Japanese Consul General presented five demands to the Chairman of the Municipal Council (see telegrams to the Department and to the Embassy, Nos. 16, May 12; 17, May 12 and 21 of May 15), insisting on complete cooperation of the Municipal Police with the Japanese Consular Police in the arrests of Chinese suspected of activities against the Japanese and the Puppet Government of Amoy. Included in the demands was the appointment of a Japanese Secretary of the Municipal Council, a Japanese Chief of Police, and an additional number of Formosans to the police force; the appointment of three Chinese members by the Puppet Government to seats on the Council and the granting of franchise to Formosans. These demands, if met, would have been tantamount to placing the International Settlement entirely under Japanese control.

In view of the situation, the indefinite statements of the Japanese with regard to the withdrawal of their forces (they had been reduced to 42 men on May 16), and the fact that American and British lives were being endangered by machine gun fire and irresponsible armed Formosans roaming the streets, it was decided at a meeting on May 17, between the Consular Corps and the Naval Commanders then in port (Admiral Noble of the British Navy and Captain Stapler
 of

- 5 -

of the United States Navy) to land forces equivalent in number to those the Japanese were maintaining in the Settlement (see telegrams Nos. 25 and 26 dated May 18). These forces were landed between 5 and 6 p.m. and later in the evening a French gunboat arrived and landed an equivalent number of men. Between May 22 and 25 conferences were held between the ranking Naval Officers present and Japanese Vice Admiral Kondo, the Japanese Naval Commander in South China. As no definite progress was made during these negotiations they were discontinued after May 25. After this date several conferences were held between the Consular Body (American, British and French Consuls) and the Japanese Consul General and it appeared from these conferences that a reasonable solution might result. A complete report, with pertinent enclosures, on the Kulangsu situation was forwarded to the Embassy under date of June 1, 1939, despatch number 14 and to the Department by despatch No. 28 dated June 1, 1939. A copy of this despatch was transmitted to the Department by air-mail. Reference is also made to the following telegrams to the Department and the Embassy, number 15, May 10; 23, May 16; 24, May 17; 27, May 19; 28, May 20; 30, May 21; 31, May 22; 32, May 22; 33, May 23; 34, May 23; 35, May 24; 37, May 24; 38, May 25; 39, May 26; 40, May 26; 42, May 27 and 43, May 29.

2. Japanese Naval Planes.

Japanese Naval planes were seen over Amoy and Kulangsu on the following days:

date

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

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<u>Date</u>	<u>No. of Planes</u>	<u>Places bombed</u>	<u>Approximate number of bombs dropped</u>
May 7	10	Sungsu (嵩 巽) Hai Tsang (海 滄) Hai Cheng (海 澄) Chip Bee (集 美)	40
8	2	Sungsu (嵩 巽)	3
9	11	All coastal points	60
10	14	Chang Chow (漳 州) Lung Yen (龍 岩)	Unknown
13	5	Interior points	"
14	6	Changpu (漳 浦)	"
15	6	Interior points	"
20	8	Coastal points	40
22	3	Interior points	--
23	2	" "	--
24	2	" "	--
25	1	Observation only	--
29	1	" "	
30	9	" "	
31	9	" "	

In the bombing of Chang Chow (漳 州) on May 10, the Japanese planes carefully avoided the American Reformed Church Mission property. On May 14, the British Mission at Changpu (漳 浦), about 25 miles inland from Amoy, was almost completely destroyed by aerial-bombardment. The Mission property was plainly marked with British flags. Fortunately there were no European casualties. This bombardment could not have been made in error as the Chinese village surrounding the Mission was untouched.

e.

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Chinese proposal to the French and British for reciprocal
military collaboration. Conversation with the French
Ambassador concerning-.

793:94/15223

For the original paper from which reference is taken

See Memorandum
(Despatch, telegram, instruction, letter, etc.)

Dated June 5, 1939 From State Department FE (Hamilton)
To

File No. 751.93/62

15223

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.
Report concerning -, for month of
May, 1939.

22

For the original paper from which reference is taken

See despatch # 604
(Despatch, telegram, instruction, letter, etc.)

Dated June 6, 1939 From Hankow (Jarvis)
To _____

File No. 893.00 P.R. Hankow/143

793.94/ 15224

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7261

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

2. Japan.

(a) Course of hostilities.

In Central China military interest was centered on the operations initiated by the Japanese in north-western Hupeh and southern Homan, where an attempt was made to enclose and destroy large bodies of Chinese troops in the triangle Sinyang-Siangyang-Chungsiang. Sinyang, in southern Homan, is on the Peiping-Hankow Railway; Siangyang (襄陽) and Chungsiang (鍾祥) are on the Han River in Hupeh.

The

Political report
May 1939
Hankow, China

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The lines, for months, had run from a point in the mountains on the Honan-Hupeh border west of Sinyang in a general southwesterly direction through Suihsien, Hupeh (湖北隨縣), to a point on the Han River north of Chungsiang. The motor road to Siangyang runs through Suihsien and the country between the two towns offers no natural difficulties. The Ta Hung mountains intervene between Suihsien and Chungsiang. While the Japanese pressed against the Chinese positions around Suihsien strong columns, partly mechanized and supported by cavalry, moved west from Sinyang through southern Honan and north from Chungsiang along the left bank of the Han River. Their pace was rapid. Within less than a fortnight the Chungsiang column had cut the Suihsien-Siangyang motor road, crossed into Honan, occupied Sinyeh (新野) and Tangho (唐河), and made contact with the Sinyang column which had moved west through Tungpeh (桐柏). The Chinese, however, following their usual tactics had withdrawn most of their troops deeper into Honan, towards Nanyang (南陽), and across the Han River, while others had retired into the Ta Hung mountains. The Japanese centre, assisted in their operations by a force which crossed the Ta Hung mountains from Kingshan (光山), were enabled to occupy Suihsien and Tsaochang (棗陽). On May 22nd the Japanese announced that the troops who had taken part in these operations had withdrawn to their bases; they claimed that they had succeeded in their mission,

Political report
May 1939
Hankow, China

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mission, which was stated to be not the taking of territory or strategic points but the destruction of enemy forces within the 5th War Zone; and they minimize their own losses. It seems reasonably certain, however, that the operation was only partly successful, that no large bodies of Chinese troops were enveloped, that while Chinese casualties were large Japanese losses were unusually heavy, and that Japanese morale suffered. The lines remained, at the end of the month, much as they were at the beginning.

Other theatres in Central China were quiet during the operations described above but toward the end of the month there was renewed activity south and east of Yochow on the Hunan-Hupeh-Kiangsi border and a Japanese column crossed the lower Han River at Yokiakow (岳家口) and occupied Taitienkiang (潜江) on the road to Shasi (沙市).

The Japanese air forces were active throughout the month and rendered useful assistance in the operations in Northwestern Hupeh.¹

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.
Report concerning -, for month of May, 1939.

aa

For the original paper from which reference is taken

See despatch # 54
(Despatch, telegram, instruction, letter, etc.)

Dated June 7, 1939 From Swatow (Young)
To

File No. 893.00 P.R. Swatow/138

U. S. GOVERNMENT PRINTING OFFICE 1-1540

793.94/15225

15225

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

793.94

(b) Relations with Japan.

The month of May, 1939, witnessed the most severe bombing by Japanese air units since the raids conducted on Swatow July 1st and 2nd, 1938. From start to finish the month was filled with terror and apprehension for the entire population, not excluding members of the foreign community.

In all throughout the month there were nineteen raids on Swatow during which over 180 bombs were dropped. These raids were conducted by Japanese naval aerial units varying in size from single bombers to groups of eight or nine planes at a time. The bombs dropped were reported to be 50-pound splinter bombs, 100-pound demolition bombs and incendiary bombs.

At the beginning of the month before the severity of the attacks was realized casualties were quite heavy and ninety wounded were taken to hospital from the raids on May 4th and 5th, but later on the populace became much more wary and took refuge more rapidly so that the number of casualties decreased. In practically every case advance warning of at least

ten

-3-

ten minutes was given before the appearance of the planes. Another factor favoring the reduced number of killed and wounded was the increased success of the evacuation policy which was actively pursued by the military authorities throughout the month under review.

A reliable foreign medical source places the number of civilians killed at fifty-eight and one hundred and sixty wounded. Of these wounded one hundred and forty-four were admitted to the English Presbyterian Mission Hospital for treatment, and it is interesting to note that 89% were men and the remaining 41% were women and children. Of the entire number of killed and wounded there was not a single military casualty.

A glance at the sketch map of Swatow which is attached to this review as Appendix A shows that the areas which served as objectives of the attacks can be roughly placed in three groups. The first is the area in the north-western part of Swatow containing godowns, small factories, shops and the homes of many of the poorer class. A temporary bridge was struck and several bombs fell near a concrete bridge leading to the railway station, striking the Aw Boon Haw medicine factory and an ice factory. Many houses and mat-sheds were struck and the casualties would have been much greater if the people had not ^{sought} shelter at the sounding of the alarm.

The second locality which probably served as an objective contained the former headquarters of the

Police

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Police and Municipal Government. These buildings were first bombed in September, 1937, and have remained unoccupied since that time but they were again bombed in 1938, and during May one direct hit was scored on each of the two buildings, but more than ten bombs fell wide of these marks and destroyed several private dwellings and the buildings formerly occupied by the linen drawnwork factory of Marshall Field and Company, which premises have been vacant since the American company withdrew from the linen business in December, 1938. A small building, still the property of the American company, was demolished.

The former military headquarters, unoccupied since September, 1937, received a share of the bombs as was the case in July, 1938, but since the buildings were empty no casualties resulted. A new military headquarters set up on Kialat Road next to the International Club received one bomb in the roadway near the entrance to the headquarters, but there were no casualties and the damage was rapidly repaired.

In addition to the above imperfectly-defined objectives there were other parts of the city subjected to attack where it is impossible to ascribe a motive. During one attack several incendiary bombs were dropped on a civilian dwelling house which burst into flames and while the firemen were controlling the blaze the planes returned to machine-gun the fire-fighters.

The area known as the West Bund from whence ferries and junks load for interior points was bombed

and

-5-

machine-gunned on several occasions. Eight bombs were dropped within 60 yards of the English Presbyterian Mission compound and within 30 yards of the Chinese Maritime Customs compound. Of these three were direct hits on a small house at the rear of the Kwangtung Provincial Bank building, two fell in the roadway beside the bank, one demolished a house situated between the Mission and Customs compounds, killing seven out of a family of eight, and two hit at the rear of the Law Courts building.

A bomb fell in the roadway near the Chinese Government Telegraph office putting it out of operation for several days and another landed near the base of the water tower from which the city draws its water. Fortunately the water system was not impaired. Several bombs were dropped along a road near the French Catholic Mission and north of Kialat Road and four more within Chung Shan Park, with some damage resulting. Two bombs fell on a group of school buildings at the eastern end of Kialat Road and seven or eight were dropped at Hau-U, a village on the north-eastern outskirts of Swatow, but fell in the fields.

It is difficult to justify the continued bombing of Swatow, which has never been of military importance, there are a few troops here, no known munition stores and certainly no munition factories or arsenals. It can hardly be considered a strategic center and its sole importance lies in the fact that it is a busy

shipping

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

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shipping port. Aside from ambulances, motor trucks, petroleum products and cement, there is nothing else that can be remotely classified as war materials passing through.

It is generally believed that the purpose of the raids is to terrorize the people and demoralize trade in the port, since lighters tied up along side foreign ships have been machine-gunned. Bombs have fallen wide of their supposed targets and this inaccuracy cannot be ascribed to fear of anti-aircraft defense as low flying has been resorted to in many instances and the only alternative belief is that the Japanese are purposely inaccurate so that the casualty rate may be increased among the civilian population. This is strengthened in the case of those bombs that fell near the Mission and Customs compounds, for several times the diving plane refrained from releasing the bomb evidently sensing that the mark would not be struck, but in those areas more distant from foreign buildings the bombing appeared to be more indiscriminate.

A discordant note was struck by the action of the Chinese military in mounting a heavy machine-gun in an ambulance from which the top has been removed and which was operated at various places in the city, several times in close proximity to foreign property. Again a Chinese machine-gun unit attempted to operate at the entrance to the Standard-Vacuum Oil Company compound close to the installation tanks, but a protest from this office caused its removal. The anti-aircraft

defense

-7-

defense in Swatow has proved so ineffective that it can truthfully be said that Swatow is an undefended city.

While Swatow bore the brunt of the air raids during May another serial attack which occurred on May 8th is worthy of note. Eight planes bombed the leper colony on Chou-su Island ten miles up-river from Swatow. This colony was originally founded many years ago by the American Mission in Swatow but has subsequently been taken over by the Municipal Government. The island is given over entirely to the leper colony and at the time of the bombing there were about 120 lepers and possibly six guards on the island. The raid resulted in the killing of 20 lepers and the wounding of 22 more. This is a well-known community and the merciless destruction of these unfortunates by the Japanese is hard to justify.

On May 24th eight Japanese planes dropped twenty bombs in the densely populated section of Chao Yang, a market town situated about eight miles from Swatow to which place many people from Swatow had evacuated for safety. Of the 20 bombs dropped, two fell in the compound of the Magistrate's yamen, the supposed objective, but the balance demolished private dwellings and shops killing and wounding more than 40 civilians.

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

TELEGRAM RECEIVED

FS

1-1336

FROM GRAY

Amoy via N. R.

Dated July 14, 1939

Rec'd 11:48 a.m. 18th

Division of
FAR EASTERN AFFAIRS
JUL 18 1939
Department of State
Secretary of State,
Washington.

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

76, July 14, 2 p.m.

793.94
The Japanese Consul General today informed that military operations will commence against Chuanchow, Tungshan and Shaoan tomorrow at 8 a.m. There is only one American citizen in the zone of operations Mr. Henry John Voskuil, who has been temporarily attached to the British Presbyterian Mission at Chuanchow. Owing to lack of communication with Chuanchow except overland mail taking five days, it is impossible to notify Mr. Voskuil, I have, however, notified the Japanese Consul General of his presence there.

A British missionary who returned from Chuanchow this morning informed that the Japanese will have no difficulty in taking Chuanchow and the surrounding district as during a five day overland trip he saw only a small number of Chinese troops.

Sent to Embassy at Peiping, Chungking, Consulate General at Shanghai.

KLP:WWC

MACVITTY

793.94/15226

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JUL 24 1939

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

15668

LEGAL ADVISER

JUL 21 1939

FS



PLAIN

DEPARTMENT OF STATE

Shanghai via N. R.

Dated July 18, 1939

Rec'd 12:15 p.m.

Secretary of State
Washington.

DIVISION
FAR EASTERN AFFAIRS

JUL 18 1939

Department of State

617, July 18, 5 p.m.

Japanese Consul General has today communicated to senior consul for information of consular representatives a notification from Commander-in-Chief of the Japanese China Seas Fleet reading as follows:

"(one). The Japanese naval forces will commence military operations against Santuao (Chinese characters) (0005, 6757, 3421) and Loyuan (5012, 3293), Fukien province on Friday the twenty-first July at eight a. m. (Japan time) and against Shangheng (3097, 8220), Fukien province, on Saturday the twenty-second July 1939, at two p. m. (Japan time). It is requested, therefore, that third power vessels, including men of war, staying in the said harbors leave them by the hours military operations are scheduled to be commenced respectively. From that time the entrance to each of the said harbors will be closed by means of obstacles and dangerous objects for the necessity of military operations and accordingly passage into or out of the harbors will become impossible after these

these

793.94/15227

FILED

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

15689

fs 2-No. ⁶¹⁷~~607~~, July 18, 5 p.m. from Shanghai

these hours. The Japanese authorities cannot assume any responsibility for losses, either direct or indirect, that might be suffered by vessels remaining within the harbors after the scheduled hours.

(two) The locations of the obstacles and dangerous objects will be as follows: (a) at Santuao and Loyuan: and along the line connecting Chown Pt. and South Pt. (b) at Shangheng: on and along the line connecting Nankwanshan (0589, 7070, 1472) and Mortice Bluff (1456, 7364, 1472).

(three) Since the areas in the vicinity of the places above referred to will become zones of hostilities, it is requested that third power nationals residing in the said areas be advised to evacuate as soon as possible."

As the American position in regard to notifications of this nature has been made clear to the Japanese authorities on several occasions, I shall not reply to the Japanese Consul General's communication unless instructed to do so.

I have sent a copy of the Japanese Consul General's letter to the Senior American Naval officer present.

Repeated to Chungking, Peiping and Foochow, by air mail to Tokyo.

GAUSS

CSB

128
DECLASSIFIED: E.O. 11652, 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.

COMSOPAT

FROM

July 18, 1939

Rec'd 1:40 p.m.

ACTION: CINCAF

INFO: COMDESRON FIVE
COMYANGPAT
MINDANAO
PEARY
PILLSBURY



PASSED TO OPNAVY FOR INFO BY CINCAF.

793.94
0017. No definite leads of future developments at the
port were obtained during conversations with orange
Vice Admiral who arrived in a heavy cruiser yesterday.
Coastwise shipping is experiencing difficulties which are
increasing apparently caused by intention to create maximum
interference. The seaplane tender which was here departed
leaving three aircraft. Visit of heavy cruiser ostensibly
in connection with the operations at above port recently
announced. Though the water was cut off for two days
supposedly because of repairs it was resumed on the 16th.
Only small amount of food is reaching the settlement 2355.

CSB

FILED
JUL 21 1939

793.94/15228

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

15670

DEPARTMENT OF STATE

Memorandum of Conversation
 Division of Far Eastern Affairs

DATE: July 12, 1939.

SUBJECT:

The Far Eastern Situation, 20 1939

PARTICIPANTS:

Mr. Earl Leaf

and

Mr. Hamilton

COPIES TO:

793.94
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 DEPARTMENT OF STATE
 JUL 17 1939
 Department of State

SECRETARY OF STATE
 JUL 15 1939
 NOTED

UNDER SECRETARY OF STATE
 JUL 14 1939
 MR. WELLES

793.94 / 15229

Mr. Leaf called. He is a former United Press correspondent who served for some time in China. He states he is now an adviser to the Chinese Government.

Mr. Leaf said that he had just returned from a short trip to Paris and London; that he had spent four or five days in London; and that while there he had talked with various members of the British Government in regard to the situation in the Far East. He said that in a conversation with Mr. Howe, Chief of the Far Eastern Division of the British Foreign Office, Mr. Howe had stated that, if the United States should take the lead in imposing measures of economic restriction upon Japan, the British Government could be expected to follow the American lead; that, if restrictions should be placed

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 JUL 18 1939

F/FG 15229

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

15571

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placed by the United States upon the exportation of oil to Japan, British oil companies could be expected to take similar action. Mr. Leaf said that Mr. Howe, in response to inquiry, had expressed the view that in the case of the Shell oil interests and companies such as the Anglo-Persian Company means could probably be found to cause such companies to fall in line with any program of restriction.

Mr. Leaf said that he had learned while in London that Sir Alexander Cadogan had written a private letter in which he had stated that according to information received by the British Foreign Minister the American Government was not prepared to participate in any joint action of a repressive nature against Japan. During his call Mr. Leaf inquired whether I could make any comment on this. I said that I had never heard of such a letter. Mr. Leaf replied that the letter was of course a private one. He inquired again whether I could make comment. I said that I knew of nothing new on that subject. Mr. Leaf said that he thought that the letter was written some time ago. I made no further comment.

Mr. Leaf said that he was greatly encouraged by the present attitude of Congress toward the question of adopting legislation restricting exports from the

United

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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

5572

-3-

United States to Japan. He said that he expected that some measure would be adopted soon. In this general connection, he said that in his opinion the Administration had made a mistake in not having incorporated some definite recommendation with regard to the Far Eastern situation in the views which the Administration had expressed with regard to the question of neutrality legislation. Mr. Leaf said that in the United States there were some eight million active workers on behalf of China and that this group did not feel that it could support the Secretary's program in regard to neutrality because the program did not, in the opinion of Mr. Leaf, take adequate care of the Far Eastern situation. I made no comment other than to say that I was certain that the Secretary, in his consideration of the neutrality question, had given full consideration to all phases of the world situation.

m. m. l.

FE:MMH:HES

0285

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

15673

July 20 1939

CONFIDENTIAL - STAFF USE ONLY

No. 699

To the American Ambassador,
Peiping.

The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum of a conversation of July 12, 1939, between Mr. Earl Leaf and an officer of the Department in regard to the Far Eastern situation.

793.94/15229

793.94/15229

Enclosure:

Copy of memorandum of
conversation of July 12
between Mr. Leaf and
Mr. Hamilton.

Copy to Chungking.

F/FG

89C.
FE:EGC:JPS
7-19

CR ✓
JUL 20 1939

JMS AMY
FE
m. m. h.



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

July 20 1939

CONFIDENTIAL - STAFF USE ONLY

No. 1773

To the American Chargé d'Affaires ad interim,
 Tokyo.

The Secretary of State encloses for the confidential information of the American Chargé d'Affaires a copy of a memorandum of a conversation of July 12, 1939, between Mr. Earl Leaf and an officer of the Department in regard to the Far Eastern situation.

793.94/15229

793.94/15229

Enclosure:

Copy of memorandum of
 conversation of July 12
 between Mr. Leaf and
 Mr. Hamilton.

CR *W* *E.G.C.*
 FE:EGG:JPS
 JUL 20 1939 7-19

John Row
 FE
my m. d.



F/FG

MMK

DECLASSIFIED: E.O. 11652, 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 - STAFF USE ONLY

July 20 1939

No. 878

To the American Ambassador,
 London.

The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum of a conversation of July 12, 1939, between Mr. Earl Leaf and an officer of the Department in regard to the Far Eastern situation.

793.94/15229

793.94/15229

Enclosure:

Copy of memorandum of
 conversation of July 12
 between Mr. Leaf and
 Mr. Hamilton.

29.C.
 FE:EGC:JPS
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FE
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CR 1 copy
 JUL 20 1939



F/FG

0288

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

15674

JR

TELEGRAM RECEIVED

Tokyo via Shanghai & N.R.

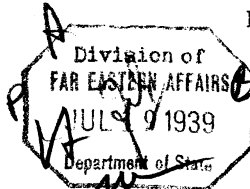
1-1836

FROM

Dated July 18, 1939

Rec'd 6 a.m., 19th.

Secretary of State,
Washington.



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

340, July 18, 8 p.m.

Department's 202, July 15, 6 p.m. /15187

One. In view of the sensational assumptions which would be made by the press if I were to call on the Foreign Minister at this time, when Japanese attention is concentrated on the Anglo-Japanese conversations, I called today on Director of the American Bureau and left with him a copy of Chungking's 438, ¹⁵²⁰⁸ July 13, noon, which I asked be placed at once in Mr. Arita's hands. I also read to Yoshizawa the second paragraph of the Department's telegram under reference and asked that substance thereof be conveyed to Mr. Arita. Yoshizawa undertook to do so and to transmit to me the Foreign Minister's observations.

Two. Yoshizawa told me that the Chungking bombings were being carefully investigated and that the Japanese Ambassador at Washington would be shortly instructed to make a full statement in response to the representations made to him by the Secretary on July 10".

Repeated to Chungking, Peiping.

RR
793.94/15187

GAUSS

793.94/15230

FILED

JUL 20 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

DEPARTMENT OF STATE

RECEIVED
DEPARTMENT OF STATE

Memorandum of Conversation

Division of Far Eastern Affairs

1939 JUL 11 AM 9 19

DATE: July 11, 1939.

SUBJECT:

Press Reports in regard to the Japanese Ambassador's
Call on the Secretary on July 10
AND RECORDS

PARTICIPANTS:

Mr. Yakichiro Suma, Counselor
of the Japanese Embassy,

and

COPIES TO: DEPARTMENT OF Mrs. Hamilton
RECEIVED

793.94
JUL 12 1939
DIVISION OF
COMMUNICATIONS AND RECORDS

Division of
FAR EASTERN AFFAIRS
JUL 13 1939
Department of State

SECRETARY OF STATE
JUL 12 1939
NOTED

JUL 12 1939
MS
Department of State

Mr. Suma telephoned this morning. He said that the Japanese Ambassador had understood from the Secretary that, in case questions should be asked by press correspondents in regard to the Ambassador's call on the Secretary on July 10, reply would be made that the Ambassador had called to discuss various phases of the Far Eastern situation. Mr. Suma said that the Embassy had noted in the Washington Post and in other papers this morning an account of the subject matter of the Secretary's conversation with the Japanese Ambassador. Mr. Suma intimated that publication of this account seemed to be contrary to the understanding which the Ambassador had received from the Secretary.

793.94/15231

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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 told Mr. Suma that what had happened was as follows: Independently of and separately from the question of the Ambassador's call, the Department had issued to the press a short statement in regard to representations which had been made by American diplomatic and consular officers in China and by the American Embassy in Tokyo in regard to the bombings at Chungking; someone had seen the Ambassador in the corridors of the Department and this had prompted inquiries by press correspondents; in reply to these inquiries correspondents had been told informally that the Ambassador had called on the Secretary and had discussed various phases of the Far Eastern situation; and, in reply to further inquiries whether there had been discussed the question of the Chungking bombings, the reply had been made that the correspondents might draw their own conclusions and that presumably this matter had been mentioned among others.

Mr. Suma appeared to be satisfied with this explanation of what had occurred.

Mr. Suma

FE:MMH:HES

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

DEPARTMENT OF STATE

Memorandum of Conversation
 Division of Far Eastern Affairs

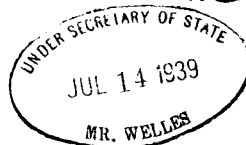
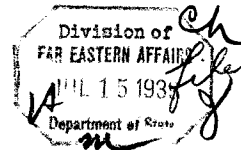
DATE: July 13, 1939.

SUBJECT: Recent Bombings of Chungking

PARTICIPANTS: Mr. Yakichiro Suma, Counselor
 of the Japanese Embassy,

and

COPIES TO: Mr. Hamilton



79394

793.94/15232

Mr. Suma said that the Embassy had received a telegram from the Japanese Foreign Office reporting the representations made by Mr. Dooman to the Japanese Foreign Minister on July 10 in regard to the recent bombings of Chungking. Mr. Suma said that the report received by the Embassy indicated that, even prior to the making by Mr. Dooman of representations, the Japanese Foreign Office had gotten in touch with the Japanese Navy Department in regard to the bombings.

W. M. D.

FE:MMH:HES

F/FG 5232

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

CROSS-REFERENCE FILE

NOTE

SUBJECT The situation in the Far East: Sino-Japanese relations.
Review of past week.

For the original paper from which reference is taken

See Memorandum
(Despatch, telegram, instruction, letter, etc.)
State Department
Far Eastern Division
(Salisbury)
Dated July 6, 1939 From
To
File No. 890.00/152

793.94

793.74

NOTE

793.94/ 15234

For the original paper from which reference is taken

(Despatch, telegram, instruction, letter, etc.)

From _____
To _____

State Department
Far Eastern Division
(Salisbury)

File No. 890.00/153

FRG.

15234

DECLASSIFIED: E.O. 11652, 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

CJ

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

PEIPING VIA N.R.

Dated July 19, 1939

Rec'd 3:35 p.m.

Secretary of State

Washington.



COPIES IN PARAPHRASE
SENT TO C.N.I. AND
M.I.I. IN COLE COPY

357, July 19, 5 p.m.

79391
200
793-9-119

The severe losses of the Japanese during May in their offensive against the Chinese in the Tapieh mountain area of Northern Hopoh (see Embassy's political report for May) and in June in western Shansi in connection with attempts to cross the Yellow River, probably with a view to an attack on Shensi, and their eighth unsuccessful attempt to clear Chinese troops from the Chungtiao mountain area in southern Shansi are believed by American and other foreign military observers to constitute severe Japanese defeats. Lack of success on these fronts is believed to have had an adverse effect on Japanese morale to the point that the position of the Japanese faction now seeking means of bringing about peace negotiations has been somewhat strengthened.

(END OF SECTION ONE.)

NPL:EMB

LOCKHART

JUL 25 1939

FILED

793.94/15235

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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

CJ

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

FROM

PEIPING VIA N.R.

Dated July 19, 1939

Rec'd 5:20 p.m.

Secretary of State,

Washington.

357, July 19, 5 p.m. (SECTION TWO).

The theory has been advanced that it is the hope of
 the Japanese as one of the objectives of the present anti-
 British campaign to bring about a situation which will cause
 the British actively to support if not openly to sponsor
 a movement to inaugurate peace negotiations. It is be-
 lieved that the Japanese are gradually approaching the
 point where in order to end hostilities in the reasonably
 near future they would be willing to accept the cooperation
 of some power ^{possessing} ~~(+)~~ influence with the Chinese to that end. *of*
 If there is in fact any basis for the advancement of this
 theory obviously it would entail compromises on the part
 of the British which it would be difficult to reconcile
 with the previous attitude of that government towards the
 Sino-Japanese conflict.

Repeated to Chungking. Code text to Tokyo by
 airmail. (END OF MESSAGE)

LOCKHART

NPL:EMB

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

CONFIDENTIAL

ConfidentialP A R A P H R A S E

A telegram (no. 357) of July 19, 1939 from the American Embassy at Peiping reads substantially as follows:

Foreign military observers, including American, are of the opinion that the eighth unsuccessful effort of the Japanese to rid the Chungtiao mountain area in southern Shansi Province of Chinese troops, the heavy Japanese losses during May in the offensive against the Chinese in the Tapieh mountain area in the northern part of Hopeh Province, and the heavy losses in June in the western part of Shansi Province in connection with efforts to cross the Yellow River, presumably with the idea of attacking Shensi Province, are in the nature of severe defeats to the Japanese. It is believed that Japanese morale has been adversely affected to such an extent by the lack of success on these fronts that the position of the Japanese clique which is now working with a view to bringing about peace negotiations has been strengthened in some degree. There has been put forward the theory that as one of the objectives of the anti-British campaign going on at the present time the Japanese hope to create a situation which will cause the British to lend active support to a movement to initiate peace

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

-2-

CONFIDENTIAL

peace negotiations if they do not sponsor such a movement openly. If any basis really exists for putting forward this theory it would evidently require that the British Government make compromises which would be hard to reconcile with that government's previous attitude toward the conflict between the Chinese and Japanese. The Japanese are believed to be gradually reaching the place where they would be ready, in order to bring about an end to hostilities within a reasonably short time, to accept the cooperation of some nation able to influence the Chinese in that direction.

793.94/15235

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FE:EQC:MSG:SS
7/21

AC

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

DEPARTMENT OF STATE
THE UNDER SECRETARY

July 15, 1939

Division of
FAR EASTERN AFFAIRS

FE - Mr. Hamilton:

AUG 17 1939

Department of State

In accordance with our understanding,
I permitted the British Ambassador this
morning to read the memorandum of the
Secretary of State of July 10 from page 4
down to page 9. I also handed him the
aide mémoire of July 15. I am returning
to you herewith a portion of the file you
left with me.

U:SM:SS

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 14, 1939.

U
Mr. Welles

copy of preliminary
Herewith memorandum of the Secretary's conversation of July 10 with the Japanese Ambassador which you wished to have in connection with the call of the British Ambassador on Saturday, July 15.

I would suggest that you inform the British Ambassador of the substance of the memorandum beginning at the top of page 4. (I assume that you will not wish to inform the British Ambassador of the Secretary's comments to the Japanese Ambassador in regard to the bombing of Chungking, except in a very general way.)

m. w.

FE:MMH:HES

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

DEPARTMENT OF STATE

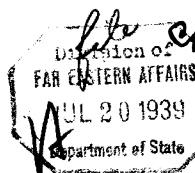
Memorandum of Conversation

DATE: July 10, 1939.

SUBJECT: American rights and interests in China.

PARTICIPANTS: *Copies sent to Tokyo +*
Peiping (Chungking)
SECRETARY OF STATE HULL AND THE
JAPANESE AMBASSADOR, MR. KENSUKE HORINOCHI.

COPIES TO:



Copy sent to President, July 25, 1939.

711.94
740.00
393.11

The Japanese Ambassador came in at my request. I then proceeded, without particular preliminaries, to read him the following:

"On two occasions between midnight and 2:00 a.m., July 6, two squadrons of Japanese planes raided Chungking. Bombs fell at random on both banks of the Yangtze River and in the city. One bomb fell within 400 feet of the residence of the Counselor of the American Embassy. Other bombs fell in the same general neighborhood, one landing about 300 yards from the residence of the American Ambassador. The Lewis Memorial Institutional Church at Chungking, an American institution, was badly damaged.

"Another

793.94/15236

FILED

JUL 20 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

- 2 -

"Another raid was made by Japanese planes on Chungking on July 7 commencing about 12:40 a.m., and lasting until about 2:10 a.m. On this occasion bombs fell in various areas of the city and also on the south bank of the Yangtze, one bomb falling within 50 yards of the quarters of the Counselor of the American Embassy and causing about 30 Chinese civilian casualties.

"During these raids five bombs struck within 200 yards of the U.S.S. TUTUILA.

"The bombing appears to have been carried out in an indiscriminate manner and the damage and loss of life inflicted to have been confined almost exclusively to civilians. The Government of the United States has repeatedly expressed this country's abhorrence of such indiscriminate bombing. Added to this general humanitarian concern is the consideration that the bombings under discussion, which are but the most recent of a long list of similar bombings, have exposed to grave hazards the American ambassador, his staff, an American naval vessel and American naval personnel thereon, and all other Americans at Chungking.

"The President in person has asked that the Secretary of State protest to the Japanese Ambassador against a continuation of these indiscriminate bombings. The

President

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

- 3 -

President would like to have an immediate statement from the Japanese Government, without making the matter one of a formal exchange of notes."

At the conclusion of the reading, I handed the Ambassador a copy of what I had read. He began to indicate his lack of belief in the facts, by saying that his Government had given special instructions to the military authorities in China to be careful to avoid injuries to persons and properties of other nations, etc., etc. I interrupted him and said that without taking up the question of what kind of instructions the military authorities were under from Tokyo, the official facts speak for themselves and show clearly that the Japanese military authorities are proceeding indiscriminately and recklessly with bombings in and about Chungking; that I was speaking from the facts, while the Ambassador was speaking from his understanding that instructions to be careful in bombing had been issued. He then abandoned this phase. I said that, of course, if this sort of reckless bombing went on something serious in the way of injuries to other nationals and their properties would inevitably occur, and, that in the interest of both his country and mine, my Government seeks to avoid such an unfortunate development. The

Ambassador

- 4 -

Ambassador then said he would promptly transmit the written statement I had read to him to his Government.

He then referred to a conversation between Ambassador Grew and Foreign Minister Arita, before the Ambassador recently left Tokyo for America, in which Mr. Arita had brought up (1) the idea of our two countries exercising their influence toward avoiding war in Europe; (2) the reported apprehension of my Government that the Japanese occupation of the Hainan Islands is part of a plan of permanent military conquest; and (3) my Government's concern about the extent of possible injury and loss of American interests, including American trade, in China, by reason of possible permanent Japanese policies of control. He said he would be interested in anything I might have to say on these points.

Point 3. I said that, taking the last point first, I need not remind him that for six years I had been earnestly pleading with and urging upon his Government the view that there is enough room on this planet for fifteen or eighteen great nations like his and mine, and that by cooperating along progressive and mutually desirable lines, great progress of the entire world population would gradually follow, etc., etc.

Point 2.

- 5 -

Point 2. I said that, on the other hand, while present American interests and rights in the Far East are highly important, the big consideration relates to the question whether all of China and the Pacific islands skirting it is to be Manchuria-ized by Japan, with international law destroyed and treaty observation abolished and all other nations not allowed into that one-half of the world - the door shut and locked by Japan except over preferences for her own citizens. I added that if some one nation is to do this in one-half of the world, some other nation in the other half of the world might undertake to follow the same example, and nothing would be more absurdly impossible for the future progress of the population of the world, including the countries assuming this species of domination, than such attempted course. I proceeded further to say that the Ambassador might suppose an announcement that this hemisphere and a part of Europe would be foreclosed against his country in the sense of being Manchuria-ized, and added that I need not speculate on what his country would think and how it would feel. I said that such efforts at domination, with no facilities for financing and progressive development, and the going forward on such

DECLASSIFIED: E.O. 11652, 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 -

such a huge scale, could only result in disaster for all concerned, speaking, of course, from my viewpoint, and that this general idea had been urged by me on his statesmen for six years.

The Ambassador undertook to advance the idea that Japan was just interfering temporarily with other people's interests on account of military exigencies. To this I replied that the fact that the rights and interests of other nationals all over China are being seriously interfered with, beyond all possible military requirements or even pretext, gives rise to the disappointment, not to say resentment, of the governments whose nationals are thus affected; that these excesses have occurred in north China and in South China and all up and down the Yangtze River; that Americans and other nationals are required to abandon their businesses, while the Japanese businessmen are permitted to step in and take their places and carry on business almost as usual - not temporarily, but apparently indefinitely. I added that these signs and circumstances indicating the Manchurization of all China, or an attempt to do so at least, gives rise to the American apprehension, to which the Ambassador referred, that American trade and other interests

- 7 -

interests might be permanently jeopardized or held in abeyance by Japan.

740.00
Point 1. As to the question raised with Ambassador Grew by Foreign Minister Arita about the possible cooperation of our two countries to compose the threatened dangers of Europe, I said that the single test of my Government in dealing with other Governments relates to the question of peace; that we consider the preservation of peace so supremely important to the future of all nations that we draw the line between honest, law-abiding, peaceful countries and peoples, without reference to their form of government, on the one hand, and those who are flouting law and order and officially threatening military conquest without limit as to time or extent; that we will work in a friendly spirit with every peaceful nation to promote and preserve peace, without serious thought as to who they are; that while we have not the slightest alliance, or secret or other understandings with any nation on earth, and do not propose to have any, we will keep thoroughly armed and prepared to take care of our interests and rights; that we have, in the spirit I was describing, made every kind and character of plea to the countries of Europe to indicate a willingness for the peaceful settlement and adjustment of their economic
and

- 8 -

and other relations, and we have indicated our readiness to cooperate in every feasible plan to restore international trade and finance to a normal basis; that, notwithstanding these earnest pleas, (which the Japanese Government itself might well have been making, if it has not been doing so, or might well make now and persistently in the future,) nations perhaps could not but take notice that Japan herself is engaged in military operations for purposes of conquest, and that this situation might well call for an ending, if Japan were to exercise her fullest influence along with the United States and other countries in efforts to compose threatened military conquest in other parts of the world.

The Ambassador made no particular comment, except to state that there had been reports in this country to the effect that Japan might enter into a military pact with Germany and Italy, whereas the truth is that his country has no idea of doing so; that Japan, because of its proximity and difficulties with Russia, has been interested in the anti-Comintern policy of certain European states and in working with them against Bolshevism. I replied that, of course, this was primarily the business of his country; that my country, of course, strongly

opposes

- 9 -

opposes the doctrines of Bolshevism, and he said he knew this; that it also, as I had indicated, abstains from any entanglements or involvements with European countries; that, of course, if Japan desires to tie herself up with the horribly complicated European controversies, so as to make herself immediately involved in any European war, that still was her business primarily; and I might again reiterate that my Government is keeping itself in a detached position, with peace as its supreme objective, and with armaments sufficient for all purposes of security.

- - - -

The Ambassador again and finally indicated that he would present my written statement, regarding bombing of American nationals and property, to his Government. I again emphasized that, in my opinion, something serious would inevitably occur if this sort of reckless conduct should continue; that, of course, we were making complaint primarily from this viewpoint and in the end it should be highly to the interest of both Governments thus to deal with dangerous practices before something happens of a serious nature; that my Government, of course, desires to preserve relations of fair-play and fair-dealing and friendliness with all nations at all disposed to this end.

I said

13

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

- 10 -

I said that if I might so add, without in any way referring to the local differences between Japan and Great Britain in China, but only basing my remarks on an incident, I would suggest that stripping nationals of other countries of all clothing in public is something abhorrent to the average citizen everywhere; that while it accomplishes next to nothing for the Government engaging in such practice, it does arouse universal resentment and condemnation; that the point I was coming to and the only thing I had in mind in thus referring to this sort of practice was that if some of our American nationals in China should be thus stripped to the point of stark nakedness and exposed to the public view, there would doubtless arise a surprising amount of bitterness and denunciation; and that, therefore, I did hope the Government of Japan would see its way clear to refrain not only from all excesses in depriving our nationals of their rights and interests and businesses in China, but also from other such practices as may be calculated to create unfriendliness and hostility between our peoples. The Ambassador spoke approvingly of these views.

C.H.

S CH:HR

131

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

July 10, 1938.

On two occasions between midnight and 2:00 a.m., July 6, two squadrons of Japanese planes raided Chungking. Bombs fell at random on both banks of the Yangtze River and in the city. One bomb fell within 400 feet of the residence of the Counselor of the American Embassy. Other bombs fell in the same general neighborhood, one landing about 300 yards from the residence of the American Ambassador. The Lewis Memorial Institutional Church at Chungking, an American institution, was badly damaged.

Another raid was made by Japanese planes on Chungking on July 7 commencing about 12:40 a.m. and lasting until about 2:10 a.m. On this occasion bombs fell in various areas of the city and also on the south bank of the Yangtze, one bomb falling within 50 yards of the quarters of the Counselor of the American Embassy and causing about 30 Chinese civilian casualties.

During these raids five bombs struck within 200 yards of the U.S.S. Tutuila.

The bombing appears to have been carried out in an indiscriminate manner and the damage and loss of life inflicted to have been confined almost exclusively to civilians.

DECLASSIFIED: E.O. 11652, 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-

civilians. The Government of the United States has repeatedly expressed this country's abhorrence of such indiscriminate bombing. Added to this general humanitarian concern is the consideration that the bombings under discussion, which are but the most recent of a long list of similar bombings, have exposed to grave hazards the American Ambassador, his staff, an American naval vessel and American naval personnel thereon, and all other Americans at Chungking.

The President in person has asked that the Secretary of State protest to the Japanese Ambassador against a continuation of these indiscriminate bombings. The President would like to have an immediate statement from the Japanese Government, without making the matter one of a formal exchange of notes.

0312

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

July 22 1939

STRICTLY CONFIDENTIAL

No. 701

The Honorable

Nelson T. Johnson,
American Ambassador,
Peiping.

Sir:

Referring to the Department's telegram no. 191 of
July 10, 1939, to Tokyo, there is enclosed for your
strictly confidential information a copy of a memorandum
of a conversation which I had on July 10 with the Japanese
Ambassador in regard to American rights and interests
in China.

Very truly yours,

Cordell Hull

793.94/15236

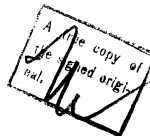
793.94/15236

Copy to Chungking.

Enclosure:

Memorandum of conversation,
July 10, 1939, between
Secretary Hull and the
Japanese Ambassador.

EGC.
FE:EGC:HJN 7/20



[Handwritten signature]

JUL 21 1939

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

STRICTLY CONFIDENTIAL

July 22 1939

No. 1776

Eugene H. Dooman, Esquire,
 American Chargé d'Affaires ad interim,
 Tokyo.

Sir:

Referring to the Department's telegram no. 190
 of July 10, 1939, there is enclosed for your strictly
 confidential information a copy of a memorandum of a
 conversation which I had on July 10 with the Japanese
 Ambassador in regard to American rights and interests
 in China.

Very truly yours,

Cordell Hull

793.94/15236

793.94/15236

Enclosure:

Memorandum of conversation,
 July 10, 1939, between
 Secretary Hull and the
 Japanese Ambassador.



F/F/G

eqC.
 FE:EGC:HJN
 7/20

FE

JUL 23 1939

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

(Original handed to the
 Japanese Ambassador *DCR*
 by the Secretary, July 9, 1939. *file*
 - see memo of Council (CX) *mm/t*
 July 10, 1939.

783.94/15236

On two occasions between midnight and 2:00 a.m., July 6, two squadrons of Japanese planes raided Chungking. Bombs fell at random on both banks of the Yangtze River and in the city. One bomb fell within 400 feet of the residence of the Counselor of the American Embassy. Other bombs fell in the same general neighborhood, one landing about 300 yards from the residence of the American Ambassador. The Lewis Memorial Institutional Church at Chungking, an American institution, was badly damaged.

Another raid was made by Japanese planes on Chungking on July 7 commencing about 12:40 a.m. and lasting until about 2:10 a.m. On this occasion bombs fell in various areas of the city and also on the south bank of the Yangtze, one bomb falling within 50 yards of the quarters of the Counselor of the American Embassy and causing about 30 Chinese civilian casualties.

During these raids five bombs struck within 200 yards of the U.S.S. Tutuila.

The bombing appears to have been carried out in an indiscriminate manner and the damage and loss of life inflicted to have been confined almost exclusively to civilians.

FW 793.94/15236

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

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civilians. The Government of the United States has repeatedly expressed this country's abhorrence of such indiscriminate bombing. Added to this general humanitarian concern is the consideration that the bombings under discussion, which are but the most recent of a long list of similar bombings, have exposed to grave hazards the American Ambassador, his staff, an American naval vessel and American naval personnel thereon, and all other Americans at Chungking.

The President in person has asked that the Secretary of State protest to the Japanese Ambassador against a continuation of these indiscriminate bombings. The President would like to have an immediate statement from the Japanese Government, without making the matter one of a formal exchange of notes.

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

STRICTLY CONFIDENTIAL

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (no. 390) dated August 5, 1939 from the American Embassy at Tokyo reads substantially as follows:

There were circulating through the city on August 5 various rumors, including stories to the effect that military measures are to be undertaken in Saghalien against Russia, that an endeavor was made to kill the former Finance Minister (Ikeda) who is a prominent liberal, and that a message recommending that Japan moderate her position vis-a-vis Britain was addressed to Emperor Hirohito by King George. The sudden appearance of rumors so sensational is of significance, although there has without doubt been much exaggeration of whatever basis of truth they might possess.

On August 5 two trustworthy sources informed the American Chargé as follows:

With the support of a recommendation made jointly by the Japanese Ambassadors to Italy and Germany, the military are once more strongly urging the Government to conclude an alliance with the Italian and German Governments. The proposal is being determinedly opposed by the Government which is staking its continuation on the question. Probably General Araki would be the next Premier, should the present Government collapse; but (according to one of the

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

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the two informants) the friends of General Ugaki would make energetic attempts to bring the latter forward.

Strictly Confidential

The same subject was also discussed by the Charge with the Minister of the Navy who referred to information of the type appearing in the preceding paragraph and remarked that "the demagogues" were once more busying themselves "with their propaganda". The Minister professed to feel confident that this new endeavor by these "desperadoes" would be combatted and frustrated.

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.
Report concerning - for month of May, 1939
in Tsinan area.

22

For the original paper from which reference is taken

See despatch # 86 to Embassy
(Despatch, telegram, instruction, letter, etc.)

Dated June 7, 1939 From Tsinan(Hawthorne)
To

File No. 893.00 P.R. Tsinan/117

793.94/15237

15237

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

793.94
a. Japanese troops in Shantung reinforced.

The evacuation by the Japanese during April of many towns, particularly in northeastern Shantung, was alleged to have been necessary because of the weakening of Japanese forces in the province through troop withdrawals to meet emergencies elsewhere, but was probably occasioned by Chinese military-guerrilla pressure. However that may be, Japanese reinforcements began to arrive in Tainan through Tsingtao during the first week in May and Japanese sources reported that fresh troops numbering 25,000 were scheduled to arrive.¹ Some of these troops, observed on the streets of Tsinan, appear to be mere boys. The arrival of Japanese reinforcements, coupled with the conference

1. See Consulate's telegram no. 25, May 16, 9 p.m.

- 4 -

conference of the Superintendents of Southern, Western and Northern Shantung, held in Tsinan, was believed to presage an intensification of "bandit suppression" activities, but to date it appears that Japanese garrisons in this district have been occupied defensively rather than offensively.

b. Deterioration of Japanese morale.

This Consulate is inclined to discredit Chinese reports of the mutiny of a part of the Japanese garrison in Tsinan on May 17th, believing the wish to have been father of the thought, but is convinced that the discipline and morale of local Japanese troops are at a much lower ebb than Japanese would be likely to admit. Seventeen Japanese soldiers were seen by a reliable witness to have been taken to the railway station under arrest on May 17th, while four others are known to have committed suicide on a hill near this city the same day. Letters are reported to have been left by the latter which, naturally, have not been made public.¹ As regards discipline, a Japanese official connected with the Provincial Government recently admitted in a conversation with the writer that the necessity of stationing small Japanese garrisons throughout the country side to maintain peace and order is proving a great handicap to the realization of true Sino-Japanese friendship, hence the desirability of replacing Japanese troops with Chinese police or militia, particularly in the rural districts, with the least practicable delay.

c. Chinese military-guerrilla activities continue.

Guerrilla

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1. See Consulate's telegram no. 28, May 18, 10 a.m., paragraph 3.

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

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Guerrilla activities in Shantung, revived in April, were not relaxed during May and were even carried to the provincial capital itself. Isolated outposts were attacked by plain clothes men on the night of May 1-2, when four were killed and eight wounded in the suburbs of Tainan. The forcible entrance of the Tainan branch of the Bank of Chosen and the destruction of the Tientsin-Pukow Railway near Tawenkow occurred the same night.¹ A railway mine exploded within the city limits on the night of May 12th, only a few minutes too early to wreck a passenger train from Tsingtao, and shots were exchanged between plain clothes men and Japanese guards, while Japanese-operated interurban bus service was suspended following the killing of seven Chinese and three Japanese employees.²

Sporadic fighting occurred within hearing of the city between May 2 and May 16, culminating in an attack on Tainan on the evening of that date by troops of the newly reorganized 4th Division under Chen Hung-lieh, possibly supported by units of the 8th Route Army understood to have been in the vicinity of Tainan for some time (see Consulate's telegram no. 13, March 20, 4 p.m.) The Japanese having been forewarned of Chinese plans through the circumstances reported in the Consulate's telegram no. 26, May 18, 10 a.m., the attack was doomed to failure. Japanese troops took up positions on the outskirts of the city where they surprised the attackers. Even so, fighting continued for four days before the Chinese troops withdrew or were repulsed. Had the Chinese movements not been betrayed, it is possible that this city might have changed hands on the night of May 16th, if only for a brief period.³

The

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1. See Consulate's telegram no. 21, May 3, 10 a.m.
 2. See Consulate's telegram no. 25, May 16, 9 p.m.
 3. See Consulate's despatch to Embassy no. 83, May 24, 1939, file 800.

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The Japanese military have taken strict precautions to prevent further attacks on the city. Street barricades previously removed were resurrected and a house to house search and new census ordered in an effort to apprehend subversive elements.

Chinese sources report a small Japanese patrol captured near Tsinan on May 16th and the loss of 10 Japanese soldiers on the night of the 17th in a skirmish with guerrillas ten miles from this city.¹

d. Effectiveness of guerrilla warfare.

If in no other direction, the guerrillas may be said to be proving successful in prolonging the maintenance of a considerable Japanese military force in Shantung at great expense,² and to be preventing to a certain extent the acquisition by Japanese of farm products and the distribution of imported Japanese goods beyond occupied towns. The effectiveness of guerrilla activities in this district is said to be greatly impaired by disorganization and dissension and jealousy between groups of irregulars and untrained "communists" or adherents (not to be confused with members) of the 8th Route Army, neither of which either deserve or command the confidence and cooperation of the people. In an effort to bring about some measure of unity among the various military-guerrilla units, a member of the National Defense Council arrived in Shantung toward the end of the month.³

But the Chinese themselves far too often, for the success of important military or guerrilla operations, betray to the enemy the would-be defenders of China. This has
been

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1. See Consulate's telegrams nos. 27 and 29.
 2. See Consulate's telegram no. 22, May 10, 10 a.m., paragraph 2.
 3. See Consulate's telegram no. 30, May 31, 5 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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been proven by the almost uncanny efficiency of the Japanese military intelligence service, in the operation of which bribery, intimidation and torture play important roles.

e. Domination of local affairs by Japanese military.¹

A very interesting development during May was the open efforts of the Japanese military to exercise a large degree of control over every phase of Chinese economic, social and religious life. It became more and more obvious that neither the puppet Governor nor his Japanese adviser have been vested with any real authority, which continues to be wielded by the military.

Whereas similar measures were previously taken at least in the name of the puppet regime, the Special Service Section of the Japanese Army interested itself in the following matters during the month:

- (1) Measures for regulating the supply and demand of essential commodities (particularly cereals, which form the staple diet of the laboring classes) and for the control of prices thereof;
- (2) Measures fixing wages of certain workers and defining their relations with employers;
- (3) The transfer of certain territory from the jurisdiction of the Provincial Government to the Tsingtao Municipality;
- (4) The organization of a provincial bank; and
- (5) The establishment of the "East Asia New Y. M. C. A."

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Report concerning -, for month of
May, 1939 in Canton area.

as

793.94 / 15238

For the original paper from which reference is taken

See despatch # -
(Despatch, telegram, instruction, letter, etc.)

Dated June 9, 1939 From Canton (Myers)
To

File No. 893.00 P.R. Canton/136

15238

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

B. Relations with Other Countries:

1. Japan.

(a) Hainan Island:

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During May Japanese army units on Hainan, assisted by naval aircraft, continued their penetration of areas heretofore under Chinese control. On May 4 the Japanese occupied the city of Nodda (那大), where the American Presbyterian Mission maintains a station.* Other towns which the Japanese claimed to have occupied during the month included Putsin (舖前) on the northeast coast, Lungtang (龍塘) south of Hoihow, and Tunchang (屯昌), Nanlu (南閣) and Lingman (岑門) west of Kachek (嘉積).

In the occupied areas, additional Peace Maintenance Commissions were reported to have been organized. Condi-

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

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tions in the two important towns of Hsiungshan (瓊山) and Hoihow (海口) were stated by an American resident to be approximately normal except that communication with unoccupied areas was difficult.

Late in May a Japanese consular official in Canton replying to a request for permission to travel by Japanese transport to Hoihow stated in effect that the port of Hoihow is, for military reasons, closed for the time being to the ingress and egress of foreigners. This action, it is thought, may be the precursor of a Japanese concentration in the neighborhood of Hoihow, possibly directed against Kwangsi.

According to unconfirmed press reports work is being rushed on a new Japanese naval and submarine base in Yulinkong (榆林港), at the southernmost point of Hainan, and it is hoped to complete the base within eight or ten months. It was also reported that a number of airfields were being constructed by the Japanese, and that the one near Hoihow was being enlarged.

(b) Military Activities in Canton Area:

There were reports of fighting of an indecisive nature in the Tsengshing-Tsungfa-Fahsien area east and north of Canton, and in the Kongmoon-Sunwui-Hokshan region to the south. Approximately 100,000 Kwangsi troops were reported to be in the West River district where a Japanese drive on Koyiu (Shiuhing) was feared, and Kwangsi units were understood to be reinforcing the Kwangtung forces elsewhere in the province.

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Japanese sources admit that guerrillas have been very active in Kwangtung but claim that approximately 3,000 have surrendered to date.

(c) Japanese Aerial Activities:

According to reports, considerable loss of life and damage to property was caused during May by Japanese air raids on Pakhoi (北海) in southwest Kwangtung, Kukong (曲江) on the North river, Koming (高明) and Koyiu (高要) in the West river area, Loklo (博羅) and Waiyeung (惠陽) on the East river and Sheeki (石岐) in Chungshan (中山) district.

(d) Closing of the Port of Hongmoon:

On May 18 the Japanese officially closed the port of Hongmoon, asserting the same control over the Chinese Maritime Customs there as at Canton. It has been learned that the Customs authorities were given to understand that the Japanese did not contemplate the reopening of that port in the near future, implying, it is thought, a bottling up for an indefinite time of Chinese river traffic on the West River.

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

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Opb letter, May 3, 1972
 By 20 NARS Date 3/19/82

C-E Digest of Information
 Sino-Japanese Situation
 June 30 - July 14, 1939

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NOTE: Situation Map does not accompany this report.

1. MILITARY.

a. In China serious fighting has been confined to southern Shensi where Japanese columns have continued their endless task of marching over the territory to the south and east of the Tung-Pa Railway.

b. The Japanese announced on July 11 the blockade of Chungchow, Tungshan and Chaoanhsien, Fukienese ports. They are evidently proceeding methodically to throttle Chinese export trade and dry up her sources of foreign exchange and customs revenue.

c. On July 6-7 Chungking was raided twice from the air. One bomb endangered the residence of Counsellor Peck of the American Embassy and a number fell close to and damaged the British station gunboat. In the opinion of a capable neutral observer, a deliberate effort was made to sink the ship.

d. Serious fighting between Japanese-Manchurian and Russian-Mongolian forces has continued along the Mongolian-Manchurian border, with hot action in the period July 2-14. The ground forces involved amount to at least a reinforced division on each side, while individual air groups of at least 100 planes are regularly reported. The ground tactical situation has resolved itself into a positional defense by Russian troops located on what they claim is Mongolian soil in the Nomonhan region, to the east of the Khalka River and some 75 miles east of Lake Bor (Buir). The Japanese claim the Khalka as the boundary of Manchoukuo and are slowly pushing the Russian forces across the river. Judged by the slowness of Japanese progress, their attacks against infantry in position with good artillery support have been costly and none too successful. On the other hand there is no very good evidence of successful Russian offensive action or counterattacks. Aerial activity on both sides has extended more than 100 miles behind the front lines. The Japanese have made extravagant claims of Russian losses, their latest recapitulation for the period May 11 - July 13 aggregating over 500 hostile planes brought down. However the tone of Russian reports, although also apparently exaggerated, would seem to indicate a measure of Japanese air superiority. An intelligent guess would place Russian losses at less than 100 planes and the Japanese at more than 80 in the entire period. While each side seems willing to admit and even exaggerate the extent of the fighting, both are firm in contending that it is a

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local matter which will end as soon as the enemy concedes the boundary claimed.

2. MISCELLANEOUS.

a. On July 11 the fifth meeting of the United Council of the Republic of China convened at Tsingtao. The purpose of the session undoubtedly is to place Wang Ching-wei at the head of a new Japanese-sponsored government of China. Wang has recently gone on record for understanding with Japan and for strong action by true members of the Kuomintang against communism and its agent, Chiang Kai-shek. Apparently the perennial difficulties of the form of the new central government, its relation to the regional agent governments and the location of the capital are all being encountered at Tsingtao.

b. On July 6 the Peiping Provisional Government announced that on July 17 exchange control would be extended to cover all exports and a wide list of imports into North China. One purpose of this action is to limit imports into that region and consequently conserve foreign exchange developed by exports. There are indications of preferential treatment for certain classes of essential imports.

c. On July 5 it was announced that Lt. Col. Spear, British Military Attache, apprehended by the Japanese near Kalgan, would be tried at that place by court martial for communicating military information from Japanese-occupied territory to the Chinese Government. In the opinion of the American Military Attache further public humiliation of the British is the Japanese objective in this case.

d. The Shanghai, Tientsin and Kulangen situation continued to mark time, the blockade at Tientsin being enforced rigorously and with varying manifestations of anti-British feeling.

On July 11 a fomented anti-British demonstration at Tsingtao stoned the British Consulate.

The Anglo-Japanese negotiations over Tientsin have not yet commenced in Tokyo. News reports indicate that the conference will convene July 16. Nothing definite is yet available as to the agenda or as to the position to be taken by the Japanese. One feature of the period has been a sudden outbreak of anti-British manifestations in Japan. The sponsors of this movement, who must be in influential positions, are unidentified as yet.

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

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CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese situation: conversation with Mr Suma, Counselor
of Japanese Embassy.

For the original paper from which reference is taken

See Memorandum
(Despatch, telegram, instruction, letter, etc.)
State Department
Far Eastern Division
(Hamilton)

Dated July 5, 1939 From
To

File No. 893.102 Tientsin/376

793.94/15240

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

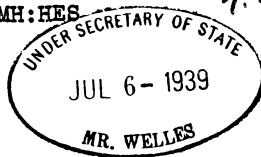
July 6, 1939.

U
Mr. Welles

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Mr. Secretary

I forward for your perusal
a thoughtful memorandum prepared
by Mr. Adams of this Division in
regard to the bearing of the
situation at Tientsin upon the
trend of events in China.

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

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DIVISION OF FAR EASTERN AFFAIRS

1939 JUL 21 AM 10 08

July 6, 1939

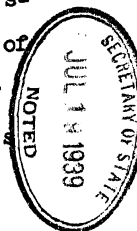
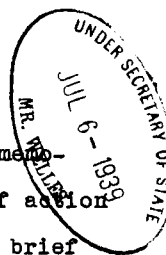
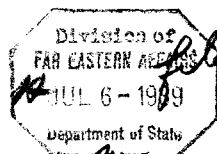
Some observations in regard to the bearing of the situation at Tientsin upon the trend of events in China

At the beginning of 1938 the writer of this memorandum undertook, upon the basis of the pattern of action developed by Japan in Manchuria, to forecast in a brief memorandum the trend of developments in China. A copy of that memorandum is attached hereto for convenient reference. In the same way, upon the basis of the systematic progress already made by Japan in the course of her conquest of China, the writer offers some further observations in regard to the probable trend of events in China.

There remain two principal obstacles to complete domination by Japan of China. One obstacle is interposed by the international settlements and foreign concessions. The other obstacle is the trade and supply routes through French Indochina and Burma which are still open to the National Government of China.

Experience has shown that the British and French Concessions at Tientsin are a very real obstacle to the Japanese efforts to oust Chinese national currency from north China and to establish in its stead "Federal Reserve currency". The French Concession and the International

Settlement



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

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Settlement at Shanghai would likewise constitute a substantial obstacle to efforts to establish a Japanese controlled currency (and through that currency complete control of exports and imports) in the lower Yangtze area. American and other foreign banks as well as commercial enterprise in general are able, if situated in an area where the police are friendly, to maintain a more independent attitude vis-à-vis the Japanese than would otherwise be practicable. It is believed reasonable to anticipate that the Japanese will make systematic efforts to eliminate the above described obstacles, one at a time. At present their effort is directed at the destruction of the obstacle presented by the French and British Concessions at Tientsin. If that effort succeeds the next effort will in all probability be directed at the French Concession and International Settlement at Shanghai. The French Concession at Hankow and the International Settlement at Amoy are relatively unimportant but would probably succumb in due course. After Shanghai, the Japanese effort could reasonably be expected to direct itself toward the closing of the Burma and French Indochina routes of supply to the Chinese National Government.

If Great Britain should give way at Tientsin and substantially meet Japanese demands there, that surrender would signal to Japan Great Britain's vulnerability to
 further

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further demands and would be the beginning of abandonment by the Powers of the National Government of China. If Great Britain and France were driven, through pressure on Hong Kong and French Indochina in the face of urgent demands in Europe, to close the French Indochina and Burma routes, the United States would be unable, in the defense of its own interests, to afford China any further material assistance in the latter's resistance to Japanese aggression.

The point of these observations is the thought that we should envisage all the implications of a British surrender at Tientsin. There is far more involved than the concessions and international settlements. If the United States is prepared at any point along the line to take action in defense of its interests in Asia and to prevent Japan from obtaining complete control of resources which would make Japan an even greater menace than ~~she is~~ now, the situation at Tientsin would seem to afford a point at which a start might well be made. If the United States does not make an effort at this point, the assistance of Great Britain and France may well be lost to any later efforts that developments may require the United States to make.

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

*ack'd 2 copies of enclosure
sent to the President, Senator Pittman
Mr. Bloom*

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DEPARTMENT OF STATE
CHINESE EMBASSY
WASHINGTON

1939 JUL 24 AM 9 24

Division of July 21, 1939

FAR EASTERN AFFAIRS

JUL 24 1939

Department of State

My dear Mr. Secretary:

793.94

I beg to inform you that I have received the accompanying telegraphic message from twenty-two organizations of the Chinese people for transmission to the President of the United States, yourself, the Honorable Key Pittman, Chairman of the Committee on Foreign Relations of the United States Senate and the Honorable Sol Bloom, Chairman of the Committee on Foreign Affairs of the United States House of Representatives.

I shall be greatly obliged if you will be good enough to forward the message to its respective high destinations.

I am, my dear Mr. Secretary,

Very sincerely yours,

H. Stutz

Enclosure:

Copies of
telegraphic message

Honorable Cordell Hull,
Secretary of State.

793.94/15242

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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

TELEGRAPHIC MESSAGE
FROM TWENTY-TWO ORGANIZATIONS
OF THE CHINESE PEOPLE

Imbued with the wild ambitions of attaining hegemony in the Far East, Japanese militarists have used brute force in invading our country. Wherever they went they cruelly murdered our civilians and at the same time they caused harm to the lives and property of citizens of friendly nations in China and took discriminating measures against their interests.

Of late the Japanese invaders, having been made to suffer repeated heavy losses as a result of our counter-offensives, have deliberately picked on peace-loving nations such as Great Britain, the United States and France to give vent to their wrath. They have since illegally blockaded the foreign concessions in Tientsin, searched and arrested foreign nationals, prohibited the entry of foodstuff and vegetable supplies, thus endangering the livelihood of tens of thousands of people. In the name of Chinese public organizations, they have engineered and started anti-British movements. These foul violations of laws were unprecedented in the past twenty centuries of world history.

For already two years, we, the Chinese people, have been resisting the invaders. In the present blockade of foreign concessions in Tientsin, we are deeply sympathetic to the foreign nationals concerned in their forbearance and courageous stand against the brutalities of the Japanese militarists.

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

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Though remote from the scene, we solemnly pledge to them our moral support. This telegram is sent you with the request that you, on behalf of the American Government and people, use all power at your command to condemn all brutal actions taken by the Japanese militarists to banish Third Power interests from China, and that you cooperate with other countries unanimously to enforce economic sanctions against Japan in order to hasten the collapse of the aggressor nation.

On our part, we, a nation of 450,000,000 people, swear to continue the struggle in collaboration with all peace-loving peoples in the world, until Japan, Public Enemy of Mankind, is expelled beyond the comity of civilized nations.

The Chinese public organizations which jointly sent the above telegram are:

Chekiang People's Enemy-Resisting and
 Self-Defense Committee,
 Chekiang Farmers' Association,
 Chekiang Chamber of Commerce,
 Chekiang Women's Committee,
 Kiangsi Mobilization Committee,
 Kiangsi Federation of Enemy-Resisting and
 War-Aid Associations,
 Kiangsi Women's New Life Movement Promotion Association,
 Fukien Mobilization Committee,
 Fukien Federation of Enemy-Resisting and
 War-Aid Associations,
 Kiangsu First District Mobilization Committee,
 South Anhwei People's General Mobilization Committee,
 South Anhwei Tea Trade Union,
 Branch of the National Relief Commission in the
 Third Relief Area,
 Chekiang Wartime Cultural Enterprises Committee,
 Southeastern Daily,
 Frontline Daily,
 Kiangsi Min Kuo (People's) Daily,
 Anhwei Daily,
 Sin-Chow Daily,
 Southern Daily,
 North Fukien Daily,
 South Kiangsu Daily.

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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 793.94/15242

July 29 1939

My dear General Watson:

I enclose a copy of a note of July 21, 1939, from the Chinese Ambassador forwarding for transmission as indicated in the note copies of a telegraphic message received by him from twenty-two organizations of the Chinese people.

In accordance with the Ambassador's request I have transmitted copies of the message also to Senator Pittman and Mr. Bloom and have acknowledged the receipt of the Ambassador's note informing him of the action taken in response to his request. There appears to be no further action in the matter required.

Sincerely yours,

Cordell Hull

Enclosure:

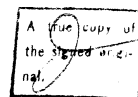
Note from Chinese Ambassador with enclosure.

Brigadier General Edwin M. Watson, U. S. A.,
 Secretary to the President,
 The White House.

MA Son
 JUL 28 1939

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793.94/15242

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

In reply refer to
 FE 793.94/15242

July 29 1939

My dear Senator Pittman:

At the request of the Chinese Ambassador I enclose
 herewith a copy of a telegraphic message received by
 the Ambassador from twenty-two organizations of the
 Chinese people.

Sincerely yours,

Cordell Hull

793.94/15242

Enclosure:

Copy of telegraphic
 message.

The Honorable

Key Pittman,

Chairman, Committee on Foreign Relations,
 United States Senate.

CR

JUL 28 1939 PM

FE: EGC:HVV:SS 7/25

the signed original

F/EG

AA JAD
 FE
 7/25/39

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

July 29 1939

In reply refer to
 FE 793.94/15242

My dear Mr. Bloom:

At the request of the Chinese Ambassador I enclose
 herewith a copy of a telegraphic message received by
 the Ambassador from twenty-two organizations of the
 Chinese people.

Sincerely yours,

Cordell Hull

Enclosure:

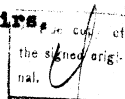
Copy of telegraphic
 message.

The Honorable

Sol Bloom,

Chairman, Committee on Foreign Affairs,
 House of Representatives.

CR
 JUL 28 1939 PM



F/FG
[Handwritten signature]

EGC.
 FE:EGC:HVE:SS 7/25

BA JMD
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793.94/15242

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

July 29 1939

My dear Mr. Ambassador:

I acknowledge the receipt of your note of July 21, 1939 enclosing copies of a telegraphic message received by you from twenty-two organizations of the Chinese people.

The contents of the message have been noted with care and in accordance with your request a copy of the message has been sent to each of the persons mentioned in your note under acknowledgment.

I am, my dear Dr. Hu,

Very sincerely yours,

Cordell Hull

His Excellency

Dr. Hu Shih,

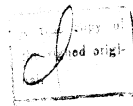
Chinese Ambassador.

JUL 28 1939 PM

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[Handwritten initials and signature]

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

CHINA INFORMATION SERVICE

HELEN M. LOOMIS, SECRETARY

945 PENNSYLVANIA AVENUE, NORTHWEST - WASHINGTON, D. C.

JUN 20 1939

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RESOLUTION PASSED BY THE GENERAL ASSEMBLY OF THE PRESBYTERIAN CHURCH IN THE U. S. A
CLEVELAND, MAY 31st, 1939.

For nigh two years, Japan has been engaged in a war of aggression against China, accompanied by indiscriminate aerial bombings of undefended cities of no military value, ruthless killing of civilians, rapine and plunder, and the destruction of schools, churches, hospitals and other institutions of cultural value.

The United States and Japan are signatories of the Nine Power Treaty wherein the said Nine Powers covenanted to respect the integrity and autonomy of China and not to put any hindrances in the way of her efforts at national reconstruction.

By providing Japan with the major portion of her munitions and raw materials for the manufacture of munitions, we have become and continue to be partners with Japan in this war of aggression.

Be it therefore resolved: That this General Assembly protest against the continuance of this partnership in aggression, and that on the basis of our commitments in the Nine Power Treaty, we urge immediate legislation by Congress that will make it illegal to sell to Japan munitions and potential raw materials as long as she acts in violation of this treaty.

Be it further resolved: That the Stated Clerk transmit a copy of this Resolution to President Roosevelt, to the Secretary of State and to the Chairman of the Foreign Relations Committee of the Senate and to the Chairman of the Foreign Affairs Committee of the House of Representatives, urging effective legislation to this end.

Be it further resolved: That pastors be requested to bring this matter to the consideration of their churches with the hope that they will write to their respective Congressmen and Senators, urging their support in the early passage of such legislation by both Houses of Congress.

WRITE OR TELEGRAPH YOUR SENATORS AND CONGRESSMEN - URGE YOUR FRIENDS TO DO THE SAME

ADVISORY EDITORS: BRANK FULTON, MINISTER, RAINFOOD HOUSE, ST. GEORGE'S CHURCH, NEW YORK CITY
FORMERLY YALE-IN-CHINA: MISS REBECCA W. GRIEST, BOARD OF FOUNDERS, GINLING COLLEGE, LANCASTER, PA.,
FORMERLY GINLING COLLEGE: EMORY LUCCOCK, MINISTER, FIRST PRESBYTERIAN CHURCH, EVANSTON, ILL., FORMERLY
COMMUNITY CHURCH, SHANGHAI: PROF. GORDON POTEAT, CROZIER THEOLOGICAL SEMINARY, CHESTER, PENNSYLVANIA,
FORMERLY UNIVERSITY OF SHANGHAI. CHINA CORRESPONDENTS GEORGE FITCH, SEC'Y, Y.M.C.A., CHUNGKING,
SZECHUAN: DR. FRANK W. PRICE, NANKING THEOLOGICAL SEMINARY, CHENG TU, SZECHUAN

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

CHINA INFORMATION SERVICE, Issue No. 25, June 14, 1939.

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SUMMARY OF CHINA NEWS

NEW PHASE OF WAR. Renewed determination to resist Japan's invasion, and a feeling that the tide is turning China's way are evidenced in the dispatches which have come from China during the last fortnight. On the eve of the close of the second year of China's armed resistance to Japan's invasion, word is coming through from Chungking which shows China to be entering into a second phase of her war. Reorganization of the guerilla fighters has put China on the offensive rather than on the defensive. Reconstruction work behind the lines and economic reorganization is stabilizing the Chungking government, and making supplies more easily attainable.

HIGHWAYS ADEQUATE. Supplies can now be carried in adequate quantities into free China, according to a report by Chang Kai-ngau, China's Communication Minister. Mr. Chang has just returned to the capital from a month's trip over the new Burma road to Rangoon and then into Siam and Indo-China. He stated in a press interview that he found that the Yunnan Railway and the new highways were now fully able to handle all the imports to China. He pointed to the reduction in the huge accumulation of cargoes at Haiphong, Indo-China, as one proof. French authorities there, he stated, had recently been more liberal in allowing war supplies from China to go through Haiphong. The Yunnan Railway had been able to move the cargoes rapidly. The Burma road, Mr. Chang stated, will be passable at all seasons. Thousands of road workers have been placed at strategic points on the road, equipped to reopen in within a few hours if it is closed by landslides.

NO APPEASEMENT. China's present state of unity will allow for no appeasement programs. Evidence of this was shown this last week with the formal order for arrest of Wang Ching-wei, who had attempted to meet Japan in "peace" terms. Mr. Wang had been chairman of the Central Political Council until his departure last December over his desire to make peace with Japan. The final break between the government and Mr. Wang is made with this formal order of arrest, which was decided upon as a result of the receipt of over a thousand telegrams from all parts of the country, urging action against Mr. Wang.

JAPAN ANTAGONIZES THIRD POWERS. While China grows stronger, Japan has continued to increase the antagonisms between herself and the neutral third powers. A series of "incidents" during the last fortnight has added to an already tense situation between Japan and neutral countries. R. M. Tinkler, British cotton mill employee in Shanghai, died of injuries received in a scuffle with a Japanese naval landing party. The British request that the wounded man be taken to a British hospital was refused by the Japanese authorities. Two British officers were reported held at Kalgan by the Japanese. Japan charged Great Britain with bringing cargoes into China ports which "Japan is unable to consider a peaceful trade." British ships have been boarded by Japanese authorities, and protests have been made by British authorities. The Japanese refused to allow neutrals, including United States Consular officials, to leave Hankow. Japan threatened to curtail American missionary activities in the parts of China under Japanese rule, unless these missionaries cease to "teach anti-Japanism." The cumulative effects of these "incidents" has not been to increase Japan's popularity with the rest of the world.

CURRENCY WAR IN CHINA. This anti-foreign attitude of the Japanese in Shanghai may have had something to do with the decision to drop the market rate of the Chinese national currency which was reported on June 7. Other causes, however, are being given for the sharp drop in currency. As pointed out by the statement of the Ministry of Finance last Saturday, there had been a considerable increase of imports, recently, much of which was non-essential. As a result China's international balance of payments had gradually been developing a lack of equilibrium.

ECONOMIC DEVELOPMENTS IN WARTIME CHINA
(Condensed from Tien Hsia Monthly, April, 1939)

by Lowe Chuan-hua

To see the economic developments in wartime China in their proper perspective, it may be well to review China's economic prospects before the Japanese resumed their invasion in the summer of 1937.

Prior to the War, a new China was already emerging. The country was rapidly becoming unified, and after more than a decade of civil strife the Central Government in Nanking was enjoying greater influence and prestige than ever before. Government finance was being steadily improved. Currency reforms had been carried out successfully. At least 112,000 km. of highway had been completed, while the mileage of railways had increased from a few thousand kilometers in 1927 to nearly 12,000 in 1937. A five-year programme calling for the building of 8,500 km. of new lines was being pushed ahead. For the financing of this construction program, large loans had already been secured or promised by various firms in Europe and America.

Two of the most important lines, the Canton-Hankow railway and the Hangchow-Nanchang railway, had actually been finished ahead of schedule. Noteworthy progress had also been made in education. Special emphasis was being laid on rural reconstruction. The rural cooperative societies had increased from a few hundred in 1923 to more than 26,000 in 1937, while a national network of farmers' banks had been inaugurated. With good crops in 1936 China was quickly developing a volume of foreign trade in the following year that would have exceeded the record made in 1931, were it not for the Japanese attack in July. In short, China was beginning to offer a fairly profitable market for Western goods and was thereby helping Europe and America in solving their problem of economic depression. The United States, having jumped from the third to the first place in China's foreign trade since 1931, had good prospects of retaining that premier position if peaceful conditions were allowed to continue.

CHINA RESHAPES HER ECONOMIC DEFENCE

But the Japanese invasion has obliterated this hopeful panorama, at least for the immediate future. Instead of peace and prosperity, there is today indescribable agony and devastation in the war-torn districts. However, positive measures for strengthening China's economic front have not been neglected. The Chinese government and people alike are exerting their utmost in replenishing their losses with new energy and resources. It is said that time and space are China's greatest allies in the present fighting. Indeed, in the southwestern provinces the Chinese have found new hope for national regeneration. With an area twice the size of Japan and a population larger than that of the United States, the southwestern provinces (Szechwan, Sikong, Yunnan, Kweichow, Hunan, Kwangtung and Kwangsi) contain almost unlimited manpower and inestimably rich natural wealth, in addition to vast fertile lands.

The importance of this southwestern area may be easily realized when it is remembered that in the six provinces above mentioned there is a total reserve of 15,535,000,000 tons of coal of all descriptions. In Hunan, Kwangtung and Kwangsi may be found some 90% of China's total reserve of manganese. In Yunnan, Szechwan, and Kweichow are found China's sole copper producing regions, turning out 480 tons a year. Lead and zinc are being mined in Hunan, Yunnan and Szechwan which produce

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altogether 6,600 tons of lead and 13,000 tons of zinc per year. China's total reserve of tungsten is estimated at 950,000 tons, of which Kwangtung and Hunan contribute 300,000 tons. In the production of tin Yunnan ranks first, followed by Kwangsi, Hunan and Kwangtung - these provinces being able to put out about 7,400 tons a year. China also holds the world's leading position in the production of antimony. Of the world's output of 20,000 tons, China is accredited with 12,000 tons and about 90% of this output comes from Hunan. Gold and silver, as well as many precious stones, are found in large quantities in China's southwest. With such an enviable supply of minerals, the Chinese government may well take a confident attitude in its policy of carrying out a decentralization and westward movement of Chinese industries.

DEVELOPING NEW LIFE LINES

To develop this new economic base, means of transportation are being built to link the leading southwestern cities. Up to the summer of 1938, the Ministry of Communications has completed no less than 3,224 km. of new roads in southwest and northwest China, besides repairing and modernizing many old caravan routes. Of these, the most important is the 850 km. highway from Kunming, capital of Yunnan province, to the border of British Burma, which was opened for transportation last winter. Another important road which is being improved is the 4,400 km. highway between Sian, capital of Shensi province, and Tahcheng in the western part of Sinkiang or Chinese Turkestan. From Tahcheng, the highway (known as the old silk route) extends into Soviet Russia and is connected with the Turk-Sib railway. These two international highways, now form the main arteries of transportation between China and the outside world.

But many of these motor roads are not built for heavy and speedy traffic. The National Government of China is, therefore, rushing a comprehensive programme of new railways, including the Yunnan-Burma line (on which construction work began in November, 1938), the Hengchow-Nanning line, the Nanning-Chennankwan line, the Yunnan-Kweiyang line, the Chungking-Kweiyang line, the Paochi-Chengtou line, the Chengtu Chungking line, the Chuchow-Kweiyang line, the Szechwan-Sikong line and the Liuchow-Kweiyang line. Altogether between 6,000 and 7,000 km. of railways are being surveyed or in the process of construction.

The Hengchow-Kweilin section of 354 km., which will be extended to Nanning and eventually to the Kwangsi-Annam border at Chennankwan, was completed in 394 days and was opened for traffic late in September, 1938. Thus Kweilin, the capital of Kwangsi province, is now connected by rail with Kinghua in Chekiang, a total distance of 1,150 km. These new life lines will not only give fresh energy to China's struggle for emancipation but also provide a nucleus for rehabilitation after the war.

MACHINERY FOR WARTIME ECONOMY

Besides the development of communication facilities and in conjunction with this construction programme in the southwest, the Chinese government has been promoting a series of industrial, commercial and agricultural improvements with a view to obtaining new ways and means for carrying on the war of attrition. For this purpose, several "wartime economy" organs have been inaugurated and are functioning with varying degrees of success. In addition to the National Resources Commission, the most important organs which have direct and specific responsibilities in improving and developing wartime economy are the Industrial and Mining readjustments Commission and the Agricultural Readjustments Commission formed under

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the auspices of the Ministry of Economics, and the Trade Readjustments Commission organized by the Ministry of Finance in February, 1937. To finance the work of these three Commissions, the Ministry of Finance has already appropriated \$60,000,000.

AGRICULTURAL IMPROVEMENTS

Chief among these agricultural improvements are the introduction of better wheat and cotton seeds and improved silk-worms into the southwestern provinces, the advancement of the wood oil and the tea trades. The production of wood oil in China reaches more than 1,250,000 quintals a year, and, the export of this product takes a leading position in China's export trade. Of the total output, between 60 and 70 per cent is sold to the United States. In 1937, for instance, its total export value amounted to \$89,840,000; of which \$63,000,000 went to the United States. With the help of the Trade Readjustments Commission and utilizing Hong Kong as the chief outlet, China's wood oil exports further increased in 1938.

Another important product in China's export trade is tea. It is well-known that during the last few years Japan has been trying hard to oust China from the world's tea market. To promote the exportation of tea on a national scale, a China National Tea Corporation, affiliated with the Trade Readjustments Commission, has been formed. Agents of this company have been buying up tea from Chekiang, Anhwei and Kiangso for "centralized and controlled" exportation, and in 1938 China exported a total of 91,767,000 lbs. of tea compared with 89,634,000 lbs. in 1937; i.e. an increase of 2,133,000 lbs. Considering unfavorable war conditions, this increase, though small, is quite significant, particularly when Japanese tea exports during the same period show a drop of 17,156,000 lbs. as reported by the International Tea Committee in London. The importance of tea as a source of revenue to China may be easily realized when it is remembered that the total value of tea exported in 1938 was also increased by more than \$6,000,000 over the figure for 1937.

An increasing output of cotton is also expected in the southwestern provinces of Szechwan, Yunnan, Kweichow and Kwangsi where, after the outbreak of war, efforts have been redoubled to promote and increase cotton plantation. According to a survey made in November, 1938, there were already 540,000 mow of cotton fields in Szechwan, 81,000 mow in Yunnan, 43,000 mow in Kweichow and 12,000 mow in Kiangsi - a total of 676,000 mow.

Raw silk has always been a big item in China's foreign trade, its annual value amounting to tens of millions of dollars. Hitherto Chekiang and Kiangsu have been the chief silk producing centers, with Szechwan, Shangtung and Kwangtung following in order of importance. Now new silk producing areas are gradually developing in West China to fill the position once held by Chekiang and Kiangsu.

The Chinese government has, therefore, spared no efforts to keep domestic economy on a firm basis and, as much as war circumstances permit and through government control, to maintain an uninterrupted flow of imports and exports.

FOREIGN EXCHANGE CONTROL

Simultaneous with the enforcement of state control of the leading import and export activities, the Chinese government has been carrying out a policy of foreign exchange control. Since the summer of 1937 and despite war conditions, free China has managed to sell far more than she has bought. In the second half of 1937, for instance, China's favorable trade balance amounted to more than \$40,000,000. This

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propitious phenomenon continued during the first five months of 1938 when the favorable trade balances totalled about \$75,000,000. Not until the middle of 1938 (particularly not until the fall of Wuhan and Canton) did China again suffer from an unfavorable balance of trade, at least according to Customs returns.

Throughout the first eight months of the war China had remarkably maintained the free convertibility of National currency at the pre-war stabilized rates. However, the adoption of a strict policy of foreign exchange control became quite imperative in March, 1938, when the Japanese inaugurated a bogus "Federal Reserve Bank" whose uncovered note issues and insidious operations were designed to cripple the Chinese legal tender system and thereby endanger China's financial and credit standing. In order to prevent the Japanese and their puppets from getting foreign currencies through the sale of Chinese national notes forcibly collected in the occupied areas, the Chinese Ministry of Finance on March 12th, 1938, promulgated a set of regulations regarding foreign exchange. These regulations, no doubt, would also reduce the flight of capital and help balance China's international payments.

Among the measures now being enforced by the Chinese government are: (1) government absorption of foreign exchange and centralized control of foreign exchange allocations for trade and other legitimate demands; (2) negotiation of credit loans with sympathetic foreign countries on the strength of Chinese cash reserves already deposited abroad; (3) government transactions with foreign firms for the exchange of staple products or execution of barter agreements; (4) restricting the withdrawal of bank deposits and (5) limiting the outflow of Chinese national currencies.

Due to the rapidly increasing demand for foreign exchange, a "black market" for exchange transactions has arisen and through this channel numerous demands, legitimate as well as illegitimate, have been met outside the Chinese machinery for foreign exchange control. However, with the inauguration in March this year of the \$10,000,000 Chinese Currency Stabilization Fund, Chinese currency will be further stabilized and the demand for foreign exchange for private hoarding and speculation will probably decrease with time.

HELP FROM OVERSEAS CHINESE

In the remittances from overseas Chinese, the Chinese government has found a most heartening source of foreign exchange and financial support for its wartime requirements. It was estimated that the total remittances amount to nearly \$300,000,000 a year in peace time, varying in accordance with business conditions in the South Seas Islands, Siam, Philippine Islands, America and other regions where large Chinese communities exist. Since July 1937, millions of dollars have been sent back for relief work and for purchasing National Bonds. In 1938 alone the total amount is estimated to have reached nearly \$600,000,000.

INDUSTRIAL MOBILIZATION

Generalissimo Chiang Kai-shek once declared that the basis of success in prolonged resistance against Japan is not to be found in the big cities, but in the villages all over China. In line with what Generalissimo Chiang has remarked, the Chinese government in July, 1938, inaugurated an Industrial Co-operative Movement. The purpose of this Movement is to build up new industrial bases in the scattered villages through the formation of producers' co-operative societies, which are to undertake industrial production to satisfy local needs as well as to form an industrial defence system against the Japanese economic offensive.

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This Movement has been granted an initial capital of \$5,000,000, out of which loans ranging from \$500 to \$3,000 (or even \$10,000 in special cases) are being extended to farmer-producers' co-operatives to finance various small scale industries. A large number of experienced co-operative workers and modern trained engineers, including several foreign experts, are being employed to promote this Movement which, it is hoped, will result in the establishment of 30,000 producers' co-operatives in the interior provinces of China. With head office in Chungking, the Movement has set up four directing agencies - in Paochi, Shaoyang, Kanchow and Wanhshien - around which branch units will be gradually organized. From these four regional centers co-operative workers and engineers are sent to the surrounding districts to enlist the support of the local authorities, to survey the natural resources, to conduct educational work amongst the peasants, and to help them organize co-operative societies.

It is hoped that the extension of the Industrial Co-operatives Movement will, to a considerable extent, help solve the enormous refugee problem now prevailing all over China.

The Industrial Co-operatives Movement intends to utilize what China still has (manpower, natural resources, limited but unused capital, and experienced and patriotic social workers) to develop a new type of industrial economy to replace the productive power in the large cities already impaired by the Japanese invasion, and through the adoption of which may be rightly called guerilla tactics in economic warfare, to render further Japanese onslaughts ineffectual.

SUPPORT FROM THE WEST

For a year and a half, China has been fighting Japan singlehanded and not until the granting of export credits of \$25,000,000 by the American Export-Import Bank and of £500,000 by the Export Credits Department of the British government in December, 1938, did she receive any large scale material support from the Western democratic sympathizers. Indeed, China would have found her task of resistance much easier were it not for the lamentable fact that her opponent has for more than a year been able to count on American and British sources for replenishment of war supplies such as airplanes, iron, copper, oil, automobiles and motor accessories. Consciously or unconsciously, the United States of America has served as Japan's leading arsenal, and, together with Great Britain, has been an indirect financial aid to the recognized aggressor. Had the United States government (which has openly declared its sympathy with China) refrained from helping replenish the Japanese war chest by instituting an embargo on Japanese goods and had it prohibited its armament industries from dealing with Japan, the present aggression on the Asiatic continent would have met with serious difficulties long ago.

CHINA'S CHANCES TO WIN

It is true that Japan has not yet been crushed on the economic front, and it is certainly no exaggeration to say that from the standpoint of endurance and resources, the ultimate result of the conflict at this writing appears far more favorable to China than it is to her enemy. As a German military adviser has well said: "Militarily, Japan can never win the war, as she has utterly failed and has no chance to annihilate the Chinese forces; economically, she is losing the war because of her ruinous military expenditures and the disruption of her peace-time trade and industry; and politically, she has already lost the war, having achieved little success in her attempts to establish political suzerainty in the occupied regions." On the other hand, China, the same foreign observer declared, has not been defeated but is growing in military strength; economically, she may yet win the war if she continues to develop her vast and rich hinterland; and politically, she has already won the war inasmuch as she has become more united than ever before.

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EXTRACTS FROM

LET'S DO OUR PART

By William Stuart Howe
(From Young Republican, April, 1939)

I have not the space to consider our various concrete policies, but I should like to say a word in connection with one which I think is perhaps the most important and controversial.

THE OPEN DOOR

Our American Far-Eastern policy, usually summed up in the phrase "open door," was conceived by a Republican Secretary of State, John Hay, in 1900. It was based on the idea that any conquest and domination of the 400,000,000 Chinese by an outside aggressive power would not only remove from the field of American trade and commerce possibly the greatest undeveloped market but would also constitute a distinct menace to all our interests in the Far East and, to some extent, might threaten our interests in other parts of the world. The Open-door sought a fair field for all trade and commerce in China, with no special favors, and provided for the preservation of China's "territorial integrity," which would safely guard her political independence.

This policy was adopted by all administrations thereafter. During the World War, the Japanese took advantage of other powers' preoccupation elsewhere to make a series of aggressions and demands upon China. In 1922, the Harding Administration set about restoring the traditional American policy. The Washington Conference was called, and the chief American delegates were Republicans--Charles Evans Hughes, now Chief Justice of the United States; Elihu Root, and Henry Cabot Lodge. Elihu Root drafted a treaty which was signed by nine powers including Japan, and which formally and unequivocally restated the American position. Largely in return for this agreement, America deliberately gave up her predominant naval power, scrapped the latest battleships she was building, agreed not to fortify any islands in the Western Pacific, and practically gave over to Japan naval and military supremacy in the Far East.

You all know what is now happening in the Far East. Not only is it a catastrophe for China, but the interests of our businessmen are being destroyed; the beneficent work of our missionary and educational institutions is being eradicated; and there have been repeated insults to Americans and to the American flag, with apologies for some of these and not for others.

We cannot maintain an attitude of indifference to this callous violation of the treaties we were instrumental in having adopted; to the loss of American trade and the disappearance of hope that in China we might find a vast market for our capital goods, which would be of economic benefit to millions of our wage earners; to the danger involved in the political domination of China by an aggressive military power with limitless ambitions for further conquest; and to the loss of the opportunity to win a quarter of the world's people to the cause of democracy. The present Chinese government is largely administered by groups of young men and women who are imbued with democratic ideals and have come under the influence of American thought and method through contact with American educators or missionaries or through direct education in this country. The supplanting of their control by Japanese power, whether exercised directly or through puppet governments, is a tragedy for the future of mankind.

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POSITIVE PRESSURE

There is evidence in the President's speeches and in the attitude of our State Department that the Administration would like to put some positive pressure upon Japan and do this in conjunction with other powers such as England and France. I believe the Republican party should back this policy. To obstruct it would be a repudiation both of the principles which we originated and the work of some of our greatest leaders. Our sales of scrap iron, oil, tools, trucks, cotton, etc., to Japan are furnishing her the means successfully to violate the treaties for which we were mainly responsible. This certainly does not make sense. If the Administration should go so far as to suggest economic measures even in the form of boycott or embargoes against Japan we should not hinder but assist. Our last Republican Secretary of State, Henry L. Stimson, is one of the leaders in this movement and there is no man in the country better informed or of broader vision.

In the Far East, as well as in other regions, a policy of drifting is very apt to involve us in war. Wise and far-sighted action means a better chance for peace. It is certainly a fact that, if we are involved, the struggle will be much more severe if we wait passively on the side-lines until the forces of darkness have gained general supremacy. In internal questions, as in domestic questions, an ounce of prevention may be worth a pound of cure. It would take an article in itself to illustrate this principle, but I am profoundly convinced of its truth.

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SPECIAL LEGISLATION

It is increasingly felt that the Far East can best be dealt with by FURTHER SPECIAL LEGISLATION. Two Senate proposals are now receiving most serious consideration: (1) S. J. Res. 123 introduced by Senator Key Pittman, Chairman of the Foreign Relations Committee, which would authorize the President, after notification to Congress while in session, to place restrictions upon trade (except agricultural products) with countries which violate American rights and interests under the Nine-Power Treaty; (2) S. J. Res. 143 introduced by Senator Lewis B. Schwellenbach, a leading member of the Foreign Relations Committee, which would authorize the President to withhold from export all materials (except agricultural products) which there is reason to believe will be used to violate the sovereignty of any nation whose "sovereignty, independence, or territorial or administrative integrity" the United States is obligated by treaty to respect. This also would be applicable only under the Nine-Power Treaty.

One of these proposals, or its equivalent, may be expected to come to the fore in the near future. It is recommended that both be strongly supported in principle until decision with regard to a single Resolution is reached in Committee. Interest in Congress is steadily increasing. Developments in the Far East favor action. Whether such legislation is passed depends to an important degree upon the volume and strength of fresh support given now to the stoppage of American exports of war materials to Japan.

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PROFESSOR LEWIS S. C. SMYTHE REPLIES TO EDITORIAL IN THE LIVING AGE OF FEBRUARY, 1939.

Dr. Smythe is Professor of Sociology at the University of Nanking, now located in Chengtu, Szechuan, China. He was in Nanking during the siege and for some time after and is well-qualified to speak with authority on conditions.

The editorial in your issue of February, 1939, regarding "Chiang Kai-shek wiping out the Chinese people" has some most astounding figures in it. I never thought I would have to defend the Chinese "scorched-earth policy," which at the beginning of the war I personally disliked very much. But the misinformation upon which your statements are based calls to high heaven for a reply. Having participated in J. L. Buck's survey of the 1931 flood in China and having conducted the surveys of war damage in and around Nanking in 1937-1938, I realize how exaggerated the reports you used must have been.

I was in Nanking in December, 1937, at the time that city fell to the Japanese and participated in the negotiations for the Safety Zone there. While there were some officials in the Chinese Government who opposed the idea on the grounds that the Chinese people should "take it" just the same as the soldiers, the very fact that the negotiations were completed within four days approved by Chiang Kai-shek himself, and vast food supplies and 80,000 Chinese dollars were turned over to the International Committee composed entirely of foreigners, shows that the leaders of the Government were anxious to do all they could for the welfare of the Chinese people who for various reasons could not leave the city before it fell. And as late as May, 1938, the National Government of China sent Chinese \$100,000 to the same International Committee for relief work among the people in Nanking - after the Japanese had been in occupation of the city for six months. Moreover, they gave the International Committee full discretion in the use of those funds for humanitarian purposes and there was no effort to use the money for any propagandistic purposes.

It is true that the general policy of the Chinese Government has been to look upon the Safety Zone with disfavor, largely because of the way the Japanese violated the civilians in the one at Nanking. But the Chinese Government has had an alternative plan which was to evacuate all the civilians from the areas threatened by the Japanese. It is only the physical impossibility of carrying out these plans with the transportation facilities available and the natural unwillingness of many Chinese to leave their old homes or parents that have prevented the rescue of more civilians from the approaching Japanese terror.

I cannot speak for other areas, but at Nanking the value of property burned by the Chinese was about equal to that burned by the Japanese. (I know the Nanking case the best and it has been the most carefully investigated of any of the unfortunate cities to fall into Japanese hands). But the areas destroyed for defense purposes by the Chinese (which were all outside the city walls and largely industrial property at Hsiakwan) could have been rehabilitated much more quickly if it had not been for the disorder and further burning let loose by the Japanese after they had full possession of the city, when any excuse of "military necessity" was no longer possible. As to the loss of lives, in our surveys (War Damage in the Nanking Area) contrary to your figures that nine-tenths were caused by the Chinese we found no reports of any civilian having been killed or injured by the Chinese army even in full retreat. As far as the inside of the city was concerned, the Chinese army marched out in good order on the night of December 12. Among many foreigners from various parts of China I have not heard one say that the retreating Government or

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army had "destroyed whole civilian populations", or in fact report any deliberate killing of civilians.

As for people that had to be left by the retreating armies, the fact that they suffered and remained "refugees" for so long after the fighting was over was the result of the inability or unwillingness of the Japanese to assume responsibility for their protection and to allow, much less promote, the resumption of normal economic functions. While millions of refugees have been reported by official circles, these have not been left to "starve" by the Chinese authorities. On the contrary, every effort has been made to help them move westward and find new work and land, or to feed them while destitute. Contrast this with the almost complete lack of any relief work amongst the civilians in areas occupied by the Japanese. Pictures of Japanese soldiers giving Chinese children candy were staged on the streets of Nanking, but the basic relief work had to be carried out by the International Committee, two-thirds of whose resources came from the Chinese Government and the remainder from Western countries. (I know that another Ch\$ 100,000 was given to a foreign relief committee in Amoy by the Chinese Government, and that the International Red Cross in Shanghai received over half of its two million Chinese dollars for relief in 1937-1938 from the Chinese Government).

As for crops destroyed in Central China, it is true that in some areas west of Hsuechowfu the fighting came at the time of the wheat harvest. But we found at Nanking in the fall of 1937 that the crop losses were very slight in proportion to the losses due to buildings burned by the Japanese. (Crop losses amounted to 1.9 per cent of all losses on farms as compared with 58.8 per cent for buildings. See War Damage in Nanking Area, Table 18.)

Your figures that 750,000 Chinese peasants perished in the flood that resulted from the opening of the dikes in the Yangtse River are five times the total deaths caused by the 1931 flood of the whole Yangtse and Hwai River valleys in five provinces or 87 hsien (counties)! (You say "Yangtse" although the Yellow River case was more completely a military measure while the Yangtse was largely seasonal flooding). And this in spite of the fact that the Chinese peasants in the areas flooded south of the Yellow River in the summer of 1938 were notified and told to move out before the break was made in the dikes. It is very difficult to get reliable estimates of losses in these matters and scientific surveys usually show much lower figures than such guesses. Will you please publish, along with this reply, your sources for the number of people starving in Central China and lives lost in the Yangtse or Yellow River floods. From a military point of view the breaking of the dikes has been considered a great tactical success. Such action has long been approved in such cases as Holland in Western tradition.

Another consideration should be noted: it is not a comparison of suffering resulting from such flooding with perfect conditions; rather it is a comparison of the effect of flood and the effect of the Japanese! In the flood of 1931 the death rate was 22 per thousand in the areas flooded; during the same period of time (100 days) after the Japanese took Nanking, the death rate in the country districts was 29 per thousand. (Compare annual death rate in rural China of 27.1 per thousand). In other words, the Japanese were thirty per cent more destructive of life than was the flood! And in the flood only one-fourth of the deaths were from drowning while 86 per cent of the war deaths were due to violence! So you might even claim that the flooding of the areas probably reduced the number of deaths within three months after the event by one-fourth because it prevented the Japanese from over-running the areas.

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Anyone who reads carefully will note that the list of structures to be destroyed given in the Communist party organ you published did not include homes of civilians. The burning of Changsha civilian homes on November 13, 1938, was in direct disregard of instructions from higher authorities and the three men chiefly responsible were executed for that act. They had been authorized to destroy only public buildings - which we observed in Nanking were almost entirely taken over by the Japanese and proved of no further benefit to the Chinese civilian population remaining in the city. Generalissimo Chiang Kai-shek hurried to Changsha immediately after learning of the calamitous fire and not only punished those responsible but initiated relief and rehabilitation measures immediately.

In the recent case of Chungking, the bombing of which by Japanese planes on May 3 and 4 caused 5,000 casualties, the Chinese Government has been trying since January to get a large part of the population to move out. But they did not want to. Furthermore, a start on eight fire lanes had been made but without ruthless confiscation such action is difficult to carry out quickly. After the raid Generalissimo and Madame Chiang Kai-shek were personally active in relief work, all Government and private cars, trucks and boats were commandeered to get civilians out of the city. As a result of this prompt action over 200,000 persons were able to leave the city during the following three days.

May 11, 1939.

* * * * *

FRANK PRICE WITNESSES CHUNG KING AIR RAIDS

May third was an unusually clear and bright day, after weeks of cloudiness. I was flying in a small Stinson mail plane from Chengtu to Chungking, an air distance of 172 miles. Near the end of our journey I noticed the Chinese pilot and his radio assistant conversing rather excitedly. The speed of the plane was increased. After an hour and forty minutes in the air we landed on a long river flat.

First Bombing. I was in Chungking to attend meetings of two relief committees and to meet various groups and individuals. At 12:50 p.m. a first warning siren sounded. We waited in suspense. Nine Chinese planes were circling in the sky above. After twenty minutes we heard a hum and then a roaring of planes coming from the northwest. At a great height I could see a semi-circle formation of over thirty machines. We ducked into little dugouts. Later we learned that two Chinese planes and one Japanese plane fell.

From the porch of the McCurdy home we could see seven fires in the direction of the Yangtze River, already burning fiercely. . . Stretcher bearers were already beginning to carry the wounded to Red Cross Stations and to hospitals. . . They were horrible looking cases. . . One bomb had fallen within seventy yards of the Friends Mission, making a crater a hundred yards across and reducing all houses in the spot to splinters. Here I found George Taylor of Yenching University who was visiting in Chungking, and also Tillman Durdin, correspondent of the New York Times. Durdin had had a narrow escape.

Soon the streets were full again of people and shops not in areas endangered by fire were reopening. How amazingly the Chinese come back after disaster! The Japanese did not destroy a single military objective in this raid. The only effect of the bombing was the destruction of many business buildings, some unimportant Government offices and hundreds of civilian homes. . . . The fires were not brought under control until after dark. I returned to the Hospital. . . I found over forty seriously wounded cases had been admitted. Four died after reaching the operating room. It was a pitiful scene, the wards full of moaning men and women and crying children. After supper I went in a Relief Unit to see the refugees along the Yangtze riverbank. Houses belonging mostly to the working and poorer class for the distance of a mile were demolished or burned, leaving thousands homeless. In one lane I

counted fifteen bodies charred beyond recognition, people caught by the sudden blaze. A ferry pier had been struck and a junk full of people was sunk. The destitute throng was sleeping in the open. Then came an eclipse of the full moon, making the scene seem almost unreal. But no, it was real, stark tragedy.

Second Bombing. The next day was also very clear. There were three alarms during the day. . . . When the unmistakable hum of bombers was heard I joined a group going into the Methodist Hospital dugout which accommodates more than two hundred people. Then "bomb, bomb, bomb" louder and louder, noisier and nearer, until we thought they were falling just above us. . . . Five minutes and it was over. The Japanese planes had attacked in the late afternoon so that they could take advantage of moonlight to escape pursuit and return to their base.

The first bombing was only a practice game compared to this one. Scores of demolition and incendiary bombs (total of 131) were let loose in deliberate and murderous fury upon business and residence section. It was a rain of death. We could see fires in all directions. Bombs had fallen within a hundred yards of us and there were fires on three sides of the Methodist Mission. Fortunately for us, unfortunately for others, a light wind carried the fires in other directions from us toward the heart of the city. All night long the large streets near the Mission, with fine shops, banks, newspaper offices and many homes, were a raging inferno. We could see six very large fires in other sections.

It was a night of horror. I joined a group helping to bring wounded off the streets or from stretcher bearers into the Hospital. There were people wounded from falling roofs, from shrapnel and flying debris; there were armless and legless people; there were cases of severe burning and profuse bleeding. One type of wound I had never seen before, splinters of rock and wood driven deep into faces. One little child of six was brought in with two large wooden splinters buried in its eyes. Nothing could be done. It moaned all night and died the next day. Altogether over a hundred seriously wounded were brought in during the night.

The hospital staff was cut in half, for many doctors and nurses were out looking frantically for their families. Electric lights were off. The waterworks system was damaged. Soon there was not enough water even to wash the blood off the victims. . . . The sky was lit until morning. . . . At two o'clock we saw flames lick up the Red Cross Hospital a mile away. The Municipal Hospital was struck by a bomb. I walked out. . . . one small street were a score of charred bodies, on another bodies torn into ghastly shapes by explosion. An incendiary bomb had fallen on the house next to the Friends Mission. We heard that bombs fell on the grounds of the British Consulate. Debris fell on part of the Canadian Mission School.

At eight o'clock in the morning I kept an appointment for an interview and during the day I met with various groups as planned. Many foreign visitors happened to be in Chungking. All were sending out special reports and letters. The British Ambassador witnessed the bombing. I cabled brief message to my brother Harry Price, Secretary of the American Committee for Non-Participation in Japanese Aggression, to the American Church Committee for China Relief, and to the Christian Century. The Government authorities handled the situation boldly and effectively. Generalissimo and Madame Chiang and Dr. H. H. Kung themselves inspected the ruins and the refugees. All cars and buses were commandeered to help carry refugees from the city. Casualties were estimated at 5,000, the homeless at 60,000 to 100,000. A week later the following official figures were published: over 3,000 deaths and a known total of 5014 killed and wounded.

I returned to Chengtu by air on the morning of the sixth as planned. A recent letter tells of the third bombing on the 12th. The number of casualties was much less than in the first two raids. China is ready to endure even greater pain for the sake of her national freedom.

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CHINA'S WARTIME

PROGRESS

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June 1 (?)
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BY
Dr. H. H. KUNG
*President of the Executive Yuan
and concurrently
Minister of Finance*

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CHINA'S WARTIME PROGRESS*

By Dr. H. H. KUNG

Since the last recess of your august body three months ago, the international situation has undergone a tremendous change. Internally, much progress has been made in various spheres of administration. Details of international developments and of domestic progress will be given by various ministers in their reports to the Council. I will confine myself to a summary of the whole situation, and in addition, will briefly explain the future policy of the Government.

First of all, I wish to refer to the change of the international situation in our favour. The friendly Powers and their peoples now have a better understanding of the object and spirit of our resistance, and consequently, are showing greater sympathy with us and are giving us a larger measure of assistance. This is the most gratifying fact during the last three months.

The 104th Session of the League Council resolved to give China continued moral support. The USSR has helped us unceasingly, as a member of the League, and also in fulfilment of the spirit of the resolutions passed by the League. Both England and America have likewise materially aided us. The United States of America has purchased much silver from us, thereby stabilizing our currency. Recently America and England have granted us commercial loans. For these concrete manifestations of friendship for China I feel certain that all of you feel, as does the Government, a strong sense of gratitude towards these Powers. I wish also to inform you that the Government is continuing to promote trade between China and

* A translation of the report submitted by Dr. H. H. Kung, President of the Executive Yuan, to the Third Session of the People's Political Council (the virtual Parliament of China) which met between February 12 and 21, 1939.

America, and between China and England; and is doing everything within its power to remove obstacles to the development of full economic and commercial co-operation with these and other friendly countries.

On November 3, 1938, when your Council was in session, the Japanese Government issued a statement; on December 19, Mr. Arita, Japan's Foreign Minister, gave a press interview; and on December 22, Prince Konoye delivered a broadcast speech; all disclosing in unmistakable terms Japan's ambition for the conquest of China and for the domination of Asia.

Our supreme leader, Generalissimo Chiang Kai-shek, at the memorial service on December 26, strongly refuted these Japanese pretensions and defined our stand in international relations. On December 31, the American Government, following up its first note of October 6, sent a second note to Japan upholding all of its rights in China. On January 14 and 19, respectively, the British and French Governments despatched to the Japanese Government their notes of protest, taking the same position as the United States of America. The American note to Japan firmly upheld the validity of the Nine Power Treaty. The note announced that China's political independence and administrative integrity, and equality of opportunity for all foreign Powers (Open Door Policy) are inseparable. Certainly no nation in the world has been able to maintain its Open Door after losing its independence and sovereignty. Those of us who have studied modern history are well acquainted with America's traditional policy of maintaining peace in the Pacific. The prerequisite for the success of this policy is China's independence and the validity of the Open Door principle. The American Government has in plain language re-affirmed its faith in this principle and the necessity for upholding the Nine Power Treaty. America's open reassertion of its traditional policy has already had tremendous influence upon world opinion.

Secondly, the United States holds that present treaties are subject to revision by orderly processes of negotiation, but refuses to recognize unilateral abrogation or plain violation of agreements. We do not hold that international conditions should always remain the same without change, but changes must be made by lawful processes. The notes of England, America, and France were based entirely upon principles of justice. We agree with the viewpoint of the three great Powers.

There are persons who hold that the nations of the world should be divided into two groups, namely, those which insist upon the maintenance of the *status quo*, and those which desire a revision of present conditions. Such an analysis of the world situation is misleading. As a matter of fact, nations are divided into those which believe in the revision of treaties by peaceful negotiations and those which believe in the revision of treaties by armed aggression. The dominance of one group or the other affects profoundly world civilization and the welfare of mankind. Our answer to this problem was long ago known to the world. We are only too glad to support peaceful negotiations in a spirit of sincerity and reasonableness, but there is a limit to such negotiations. Any matter which concerns the existence of a nation and its independence cannot be made a subject for diplomatic discussions. In the face of armed aggression we are resolved to resist and to resist to the end.

Some contend that the existing treaties cannot apply to a new international situation that has been created by force. If such a contention is granted, then no code of international morality can possibly be established, and the world situation will become steadily worse. Far-sighted men in many countries are aware of this fact and are endeavouring to avert such a predicament by united policy and action. In Europe, the International Peace Committee has been organized to combat aggression. In the United States of America there was organized last summer a Committee for Non-Participation in Japanese Aggression, with the object of persuading the American people to refrain voluntarily from supplying Japan with weapons for aggression. American merchants, it is true, have not directly participated in Japanese aggression; but supplying Japan with war materials is really equivalent to sharing in Japanese aggression. The Committee was organized by the people and has no relation with the American Government. What prompted the people to launch this movement was the awakening of their consciences and their moral indignation, not the obligations of treaties or any benefits which might come to their country. Recently Colonel Stimson, former American Secretary of State, accepted the office of Honorary President of the Committee, which has further increased its influence. Japanese militarists may scoff at such a moral protest, but we know that we are fighting for the sake of peace and justice. Our victory is not to be determined by temporary gains or losses on the battlefield.

The moral triumph which has already been achieved will serve as the basis for our final victory.

The marked turn of the international situation in favour of China is the result of our solid unity and of the heroic struggle being carried on under the leadership of our Generalissimo. The unmasking of Japan's sinister designs, especially following Konoye's statement, has been another important cause.

When the Japanese occupied Mukden on September 18, 1931, we told the world that this was the beginning of Japan's programme to carry out her inordinate ambitions for conquest. Unfortunately, the world did not place sufficient confidence in our estimate of the situation. People thought that we were merely spreading propaganda. But when our troops withdraw from Hankow and the enemy monopolized all commercial interests in the lower Yangtze Valley, and especially when Konoye and Arita openly disclosed Japan's real intentions, the friendly nations and peoples awoke to the facts, and their attitude consequently was changed.

Konoye's statement of December 22 was assailed by the Generalissimo in his address of December 26, 1938. It is not necessary to repeat what the Generalissimo said, but I wish to point out that the views expressed by the Generalissimo happen to be very similar to those contained in the notes of England, America and France. For example, the Generalissimo said: "Actually, if we should recognize Japan's 'new order in East Asia' and the 'co-operation of Japan, Manchukuo and China,' we should become a vassal state, if not a protectorate, which is equivalent to annexation by Japan"

The British note said practically the same thing: "His Majesty's Government is at a loss to understand how Prince Konoye's assurances that Japan seeks no territory and respects the sovereignty of China, can be reconciled with the declared intention of the Japanese Government forcibly to compel the Chinese people to accept conditions involving surrender of their political, economic and cultural life to Japanese control, the indefinite maintenance in China of considerable Japanese garrisons, and the virtual detachment from China of Inner Mongolia."

On November 3, Konoye in a broadcast speech declared that the Chinese-Japanese hostilities were a "tragedy of mutual destruction." True, but we may ask: Who caused this tragedy? And who is to blame for the continuance of the tragedy?

Needless to say, the Japanese militarists. In recent years the Japanese have claimed to be the guardians of Oriental culture and, in the guise of protector, have been trying to create an Oriental bloc against America and Europe. But when we look at the objectives and methods of Japan's war of aggression, we can find no evidence of Oriental civilization or of the spirit of culture. China is the real fountain-head of Oriental civilization. What civilization Japan has was given her by China. In resisting Japanese aggression, we are fulfilling our responsibility for the maintenance of Oriental civilization.

Last month the senior professors of Oxford University in a joint letter to the Generalissimo said: ". . . . In the past the British people have had their ignorant doubts as to the reality and significance of Chinese civilization and culture. Today, instructed as we are on the one hand by the savage hates of narrow nationalistic cults, and on the other hand by the dignity and self-control of Chinese feeling against Japan, we can have no doubt as to whose hands bear the torch of civilization. . . ."

These professors are world-famous and learned scholars. I wonder what is the reaction of thinking Japanese to such a judgment. The Japanese propagandists who raise the question of Oriental civilization in the midst of war, have evidently two objectives in mind. First, they want to expel American and European influence from China under the pretext of promoting Oriental civilization, as against Occidental civilization: then they will be free to create the so-called "new order in Asia" and to realize their dream of a China-Japan-"Manchukuo" bloc.

Do the Japanese not know that Oriental culture is a spiritual heritage from our ancestors? We should certainly do our best to spread this culture far and wide, but in doing so we must not stir up a conflict between Occidental and Oriental civilizations, nor must we become self-complacent. We firmly believe that the inter-change of Occidental and Oriental cultures is of mutual benefit. The Japanese must not forget the history of the Meiji Reformation, the significance of which was that Japan with a background of Oriental civilization accepted Occidental civilization with its sciences, mechanical arts, constitutionalism, and the like. If the Japanese leaders during the Meiji era had not been humble enough to accept Occidental culture, Japan would probably still be an unorganized people and a medieval type of state. Now Japan is trying to ban the very Occidental culture which has benefitted her so much in the past.

Konoye added that the lack of peace between us has been due to the reactionary tendencies in China after the World War. Is it China or Japan which has shown reactionary tendencies? Japan has been sinking deeper and deeper into the whirlpool of reaction and now seems unable to extricate herself. For the sake of the world and in the interest of the peoples of the Orient, there should be close co-operation between the Orient and Occident, not only cultural but also economic co-operation. Such co-operation will benefit both East and West, and as a result Oriental culture will be more freely appreciated. Co-operation implies equality and inter-dependence; it does not mean dependence on one side and oppression on the other.

The second slogan of the Japanese propagandists is "joint defence against Communism." They think that by raising the flag of anti-Communism or of defence against Communism they will be able to fool the world into believing that their war of aggression is a war against Communism. However, people all over the world know only too well that the Japanese militarists have forced this war on China in order to rob her of her resources, and not for the sake of any political principles.

The Chinese people believe in the Three People's Principles of Dr. Sun Yat-sen and do not subscribe to any other political theories. The Three People's Principles are rooted in China's past and are suited to present conditions in China. Everyone knows that the Chinese people have been working for years to put these principles into effect. The Japanese propagandists, if they are not entirely ignorant, should understand the Chinese national spirit and the history of the Chinese revolution. Why should they attempt to deceive themselves and others?

Arita's statement in the Japanese Diet on January 21, that "the anti-Japanese policy adopted by the Chinese National Government before the outbreak of the present hostilities was instigated by the Third International," is laughable. Is it not possible for a nation like China, with her own history and political principles, to rise up in self-defence without the instigation of an outside power? Before the war, China tried hard to avert the disaster, but it was unavoidable. What can we do now but continue our resistance? Hiranuma, the new Japanese Prime Minister, announces that Japan will prosecute the war of aggression to the end and thus carry out her fundamental policy. We are just as determined to continue our policy of resistance to the very end.

What I have said summarizes the sinister designs of the enemy during the last three months, and the changes in the international situation. Besides carrying out our national policy, we shall try through propaganda to awaken the Japanese people to the danger that confronts them, and to make them stop their self-destructive policy so that peace may soon return to Asia. As for our policy towards other countries, we will adhere to the Chinese ancient teaching, "Return good for good and answer injuries with uprightness." We shall continue to promote closer relations with all friendly nations so as to secure greater assistance from those already on cordial terms with us, and also to strengthen our ties with those not so sympathetic with us. Our aim is to promote international harmony and co-operation. We should insist that the repeated declarations and resolutions of the League of Nations and Nine Power Conference be put into effect, as far as possible. We should give our strong support to law and order which ought to govern all international relations and to the sanctity of treaties, in co-operation with all the Powers concerned.

Although the international situation has changed for the better, we should continue to exert ourselves to the utmost and should not show the slightest spirit of dependence upon others for help. The Provisional Assembly of the Kuomintang last year adopted the principles for national resistance and reconstruction, emphasizing the fact that they should be carried out simultaneously. There can be no national reconstruction if China does not put up a determined resistance. This war of resistance will be known in history as a war for national reconstruction. The second point upon which I wish to lay stress is that during this war of resistance what we are doing in the way of national reconstruction should fit in with our plan for the next hundred years. We should not temporize. During this epochal period, we must work for immediate objectives and also take the future into consideration. In other words, what we do should benefit our campaign of resistance and likewise our programme of national reconstruction.

Turning to the internal administration: the organization of the People's Political Council will undoubtedly increase China's strength for resistance and will speed up national reconstruction. We hope that the provincial political councils will also assume these two responsibilities. During the last three months the Executive Yuan has actively urged the

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

formation of provisional political councils in the various provinces. While we feel that this matter should not be further delayed, yet we must not be precipitate. The Government had originally set January 1 of this year as the date for the inauguration of the People's Provincial Political Councils. Owing to the lack of time for making adequate preparations and to difficulties of communication, various provinces requested an extension of time for the inauguration. The Government complied with their request, but set a time limit as follows: the provincial political councils in most of the provinces should assemble in March or April. I had talks recently with quite a number of provincial chairmen who came to Chungking to attend the Fifth Plenary Session of the Kuomintang. They all felt that the members of these provincial councils should be true representatives of the people and should be able administrators. In order to attain the object, it would be the best for public functionaries now in office not to be elected, and even participants in political affairs should withdraw from the elections, so that Chinese leaders living in retirement may have greater opportunity to serve the Government. The spirit of solidarity has been amply demonstrated in the People's Political Council at Chungking, and it is hoped that the same spirit will prevail in the various provincial political councils.

The last three months has been a period for general readjustment of party, political and military affairs between the Central Government and local authorities. The object of this readjustment is to meet the needs of the second period of resistance. In addition to the administrative programme for the second stage of resistance planned by the Executive Yuan, there is now a Supreme National Defence Council, authorized by the Fifth Plenary Session of the Kuomintang, to unify the party, the political and military command and, during the period of resistance, to take the place, temporarily, of the Central Political Council. Various ministries and commissions of the Central Kuomintang Headquarters and various ministries and commissions of the Five Yuans, as well as the National Military Council, are subject to the direction of the Supreme National Defence Council. The Tsungtsai of the Kuomintang (Generalissimo Chiang Kai-shek) will at the same time act as the President of the Supreme National Defence Council. For the sake of efficiency, the Council need not follow the usual procedure but can issue direct orders. From now on there

will be even closer co-ordination of political and military affairs.

In local administration it is essential to strengthen the political machinery under the provincial government. In our political system there is only one political machinery for the central and local governments. The old division of the country into *Chun, Chow, Tao* and provinces was for the sake of administrative efficiency. The provincial government should carry out orders of the Central Government and make known its wishes, counsel the people within the province, and on behalf of the Central Government supervise the work of local administrators.

As to the war areas, since lines of communications have been severed by the Japanese, it has been necessary to re-arrange the districts with national defence, military communications and economic conditions in mind. It is now stipulated that administrative inspectors should not act concurrently as magistrates, that their own organization should be strengthened and that they should be held responsible for the supervision of local administrative offices. The magistrate is the most important local official in the district.

Particularly during the second stage of resistance, a system of civil service examinations for magistrates should be instituted, and qualified persons should be given special training before taking up office. Once appointed, able magistrates will be secure in the tenure of office and will be given freedom in the performance of their duties. One good magistrate may accomplish more than a whole division of troops. A district with a population of more than 500,000 will be raised to the status of a special *hsien* or district, and the magistrate will receive the treatment of an official of selected rank. This is an important feature in the programme of internal administration for the second period of resistance.

Referring to military affairs, all I need to say is that our fighting strength is now much greater than before the outbreak of the war on July 7, 1937, both from the spiritual and the material point of view.

I wish to say a word about the administrative conditions in the provinces where there is fighting. We are fond of using the term "occupied areas." This term is really unsatisfactory and may cause misunderstandings abroad as well as at home. The areas where the enemy has set his foot are war areas regardless of the nature of the war that is going on there,

whether it be positional fighting, guerilla activities or mobile warfare.

A glance at administrative conditions in Kiangsu, Chekiang, Fukien, Anhwei, Kiangsi, Hupeh, Hunan, Hopei, Honan, Shantung and Shansi, reveals that these 11 provinces have 941 districts (*hsien*) of which 583 districts, or 62 percent, are still intact. The magistrates in these 583 districts are carrying on their duties in their offices as usual. Then there are 35 districts whose magistrates are functioning nominally in their offices, although portions of their territory have been temporarily occupied by the enemy troops. There are 245 districts whose cities have been occupied by the enemy troops, but whose magistrates are carrying on their duties in country places in the same districts. These constitute 26 percent of the total number of districts in the 11 provinces. The magistrates of 24 districts have moved to neighbouring districts to function, but they have not lost the power of directing affairs in their own districts. Only 55 magistrates out of a total of 941, have been unable to discharge their duties as a result of complete Japanese occupation of their districts. These districts are only 6 percent of the total number in the 11 provinces. Of the 55 districts, 42 are located in Hopei Province. And of this number, 22 are in eastern Hopei where, before the Marco Polo Bridge incident, Yin Ju-keng, Japan's puppet, had already marked out the so-called East Hopei Special Area.

After one and a half years of sanguinary fighting, the districts freshly occupied by the enemy—with the exception of Peiping, Tientsin, Shanghai, Nanking, Hankow and Canton—number only 33, and these districts are subject to constant threats from guerilla units. From this one can see that the enemy has reaped a very poor political harvest.

The readjustment of the political machinery in such an extensive zone of hostilities is a highly complicated problem, and it is no less important than the reorganization of the troops. The method of readjustment is to divide the war zone into primary and secondary front-line areas. The Government has organized a war zone committee in the primary front-line areas in order to co-ordinate party and political affairs, unify the command, insure a larger measure of efficiency in administration, facilitate rapid communications and meet other urgent needs during war time. We are confident that in the future we will be able to deal more deadly blows at the enemy's rear.

In the secondary front-line areas, the Government has worked out various plans based upon special conditions in different parts of the country. We have increased the duties and powers of the magistrates or administrative inspectors so as to facilitate their work and enable them to carry on resistance independently. In certain special administrative areas which are situated too far away from the seat of the provincial government, and where lines of communications are frequently cut by the enemy, the Executive Yuan has acceded to the request of the provincial authorities for the establishment of special offices.

There are other domestic affairs which deserve our attention. One of them is the enforcement of the conscription system. In this country the conscription system is a comparatively new thing. Formerly, as you know, we experienced much difficulty in putting it into effect. It is necessary first to arouse the spirit of resistance among the people, and also to improve the lower grades of political organization so that people will want to join the army. It has taken other countries many decades of effort to meet these two conditions. The Government's present efforts at improvement of the conscription system include better treatment for able-bodied male adults undergoing military training, special privileges for the families of the soldiers at the fronts, a broader educational programme and reforms in the *pao-chia* (registration and mutual guarantee) system.*

If five percent of the 450,000,000 population of China join the military service, we would be able to mobilize an army of 22,500,000 men. Compare this with Japan's possible mobilization of 3,000,000 men, and you see that we can put up seven soldiers against Japan's one. Why then should we worry as to whether we can ultimately drive the enemy out of our territory?

Recently there have been some criticisms, based on theoretical grounds, of the *pao-chia* system. We will not discuss the rights and wrongs of the system, but without it, we would find it difficult to put the conscription system into effect. Defects in the *pao-chia* system should of course be remedied, and the Government will certainly improve the treatment of *pao-chia* leaders who should be more carefully chosen. A comprehensive programme has been promulgated by the Executive Yuan. The

* In the *pao-chia* system, all able-bodied men are organized by tens and hundreds.

Ministry of the Interior has been making plans for the training of *pao-chia* leaders, as a means of strengthening the system. We hope that these reforms will soon be put into effect in the various provinces.

The next domestic item which should receive our attention is the suppression of opium. The Government will continue its earnest efforts to eliminate the opium traffic. Particular attention has been paid to the prohibition of opium smoking in the hope of bringing an early end to the evil.

Another important item of work in the rear is the development of the southwestern and northwestern provinces. You all know that back of Szechwan is Sikang, a very rich and fertile territory. For a number of years the Government has been making preparations to organize Sikang into a province. On January 1 of this year the provincial government of Sikang was formally set up. The first step in the development of Sikang is the improvement of its communications. The Government has been responsible for all the finances necessary in the first stage of such a development, and also for the supply of technical men. Besides the undertaking in Sikang, promoted directly by the Ministry of Communications and the Ministry of Economics, the Central Government has given the provincial government of Sikang a grant of \$750,000 for this fiscal year.

The second point to which we have paid attention is the security of the people in Sikang. The Chinese people under the National Government, regardless of race and religious faith, all enjoy the same rights and privileges. A minority of people in Sikang observe customs different from those of other parts of China, and their cultural standard is rather low. We should help them to raise that standard, and furthermore we should solve their livelihood problems.

Behind Sikang is Tibet. Since the commencement of the present hostilities, the people in Tibet have appreciated the significance of the war and have unanimously upheld the national policy. The Central Government, following the teachings of Dr. Sun Yat-sen, has worked for the consolidation of the various races that form the Chinese nation on the basis of equality. We respect the traditional religion of Tibet. We consider the welfare of Tibetans as the welfare of the entire nation. As to local administration, it should be left in the hands of the Tibetan political and religious leaders who are acquainted with the local conditions. Neither the Central Government nor the neighbouring provincial government should intervene in their affairs.

The successor to the 14th Dalai Lama will be selected within this year. In accordance with tradition, the high officials in Tibet have discovered two divinely gifted children. In the vicinity of the Tahorhssu Monastery another child has been found as a possible successor. The Government has instructed the Chinghai (Kokonor) Provincial Government to escort the latter to Lhasa. There one of the three children will be chosen by lot in a grand ceremony as the successor to the 14th Dalai Lama. On December 28 last year the Government appointed General Wu Chung-hsin, Chairman of the Mongolian and Tibetan Affairs Commission, and Jechen Hutukohtu (living Buddha), regent to Tibet, to preside over the function.

Turning to our Mohammedan brethren, what they have contributed to this war of resistance in man-power and in material and financial resources is most gratifying. The enemy has not only occupied our territory by force but has also tried unsuccessfully to incite divisions among our people. Since the beginning of the war of resistance, the Mohammedan generals under the leadership of the Generalissimo have led their troops in fighting the invaders. At the same time, the Mohammedan local authorities have mobilized the masses, contributed money and man-power, organized propaganda corps to arouse the people and inspire patriotism, formed first-aid corps to participate in the relief of wounded soldiers at the front, and have sent goodwill missions to various countries in the Near East, thereby enlisting the support of our neighbouring countries. These are well-known and gratifying facts.

Another cause for gratification is the remarkable progress made in Sinkiang (Chinese Turkestan), a province of complex races who have been welded into one solid bloc by General Sheng Shih-tsai, Pacification Commissioner for Sinkiang. Recently the people of Sinkiang contributed funds for the purchase of airplanes as their part in the war of resistance. Their patriotism is certainly worthy of praise.

Joining hands with the rest of the country in this new era are the Mongols. Changchin Hutukohtu, religious leader of Mongolia, recently came to Chungking and attended the Fifth Plenary Session of the Kuomintang. Prince Sha, political leader of Mongolia and President of the Yeghe Jo League, is another arrival from Mongolia. He has also assumed the position of State Councillor in the National Government. The important contributions made by these two Mongol leaders to our war of resistance are known all over China.

The Government is likewise highly grateful to our overseas brethren for demonstrations of their patriotism in various ways. Since the war began, wealthy overseas brethren have made liberal contributions to the Government's war chest and thereby have upheld the national policy. Most to be admired are those overseas brethren who have had to practise rigid economy in order to make their contributions, or those who have travelled tens of thousands of miles back to their motherland in order to take an active part in the war.

In the educational realm, although the enemy has talked much about Oriental culture, yet in his conduct of the war he does not pay the slightest regard to the institutions of culture in China. He has made school buildings a definite objective of bombing and destruction from the air. His sinister intentions are too obvious to require explanation. Many of you who have been engaged in educational work know what the sufferings of educational workers and the losses in educational institutions have been, since the war began. With regard to the removal of schools from the war zones and the provision of accommodations for refugee students and teachers during the last three months, the Ministry of Education has already made two full reports. On account of the extension of the fighting areas, this work is still being continued. Since the advent of the winter season, many young men in schools have lacked warm clothing. Last November the Government gave \$300,000 for the purchase of winter clothes and cotton quilts for poor students. Since the Chinese withdrawal from Wuhan, many students have left the province of Hupeh. The Government devised plans for their accommodation and gave financial assistance to two Hupeh Government schools so that they might increase their capacity. In response to the request of the Hunan people, the Government has decided to open a government middle-school for the accommodation of Hunan students, since the number of government middle-schools is steadily increasing, the Government is planning a careful reorganization in order to reduce administrative and teaching inconveniences to a minimum.

War can teach people much. We should avail ourselves of the opportunity war has offered us to examine our educational system. Is the distribution of cultural institutions in various areas a reasonable distribution? Before the war our educational system laid stress upon intellectual training and neglected moral

and physical education. Can such a system promote the all-round development of youth? During the war the Government needs many able persons, but on the other hand many who have received an education are still unemployed. Does this not show the defects in our pre-war educational system? We should closely examine such questions with the object of finding a fundamental solution, so that greater educational progress may be made in the future.

With regard to the economic phase of our work, the Government is actively pursuing the policy of exploiting national resources and increasing production. The ministries concerned have no doubt submitted detailed reports to you. I wish to comment briefly on a few points of larger policy.

1. In the past our industries were not developed according to a formulated policy. The requirements of national defence were not considered, nor was attention paid to the natural resources in various areas. This proved to be a wasteful period in our economic development. Since the war of resistance began, the Government has done its best to avoid the repetition of such mistakes. The Ministry of Economics has assisted in the removal of factories from cities along the sea coast and on the principal rivers to the interior. It has also started new industries. The future development of industries in this country will not be haphazard, but according to a definite programme. The Government, after studying the resources and communications of the southwestern provinces, has decided to make the Tokiang and Minkiang valleys in Szechwan an important industrial region during the first period of development. Within this region may be found the coal of Chienweihhsien and the petroleum and gas of Weiyuhsien which, according to experts, have great possibilities. In this region have already been established an alcoholic distillation plant, a power plant and a chemical industrial plant. A paper mill and a sugar refinery are being planned. This regional economic planning is the first of its kind in China, and it is placed in the hand of experts. Success is assured.

2. Co-ordination of state-operated enterprises and private enterprises is a very important but also complicated problem. Under Dr. Sun Yat-sen's principle of "The People's Livelihood" we shall have to devise means for restricting capital and preventing monopoly of the market and control of finance by a few capitalists. Since the successful enforcement of the new

currency policy and the stabilization of the national banks we have had no need to worry about private financial monopolies. The principal means of communications have already been taken over by the Government. The larger mining areas, particularly those which are of vital importance to national defence and the development of heavy industries have been set aside for State operation. Monopoly of the markets by private individuals has been reduced to the minimum. In an undeveloped country like China the scope of State-operated and private enterprises is immense, but if the scope is not clearly defined, or if the Government constantly changes its mind, there will not be a bold investment of private capital in such enterprises. The Government, therefore, is paying considerable attention to the amendment of the corporation law, the encouragement of private enterprises, and co-operation between the Government and business leaders.

3. Prior to the war, our people were laying much stress upon rural economic relief. The Government, besides promoting rural co-operation and agricultural experimentation, created a farm credit bureau to readjust rural economics. This kind of work, essential in time of peace, becomes even more important during a war of resistance. Before the war, however, the bureau limited its activities to the Lower Yangtze Valley. Since the war, the bureau has shifted its attention to the various provinces in Southwest China.

In 1938 the bureau established 76 rural credit banks in the Southwest and subscribed \$7,000,000 toward the capital fund. At the same time it established 49 granaries, with capacity for storing 1,000,000 piculs of grain, invested \$3,700,000 on irrigation projects benefitting 2,300,000 *mow** of farmland; purchased and stored \$1,100,000 worth of raw cotton, cotton yarn, cotton cloth and foodstuffs to meet emergency military or civilian needs in the rear. Although the bureau is already doing satisfactory work, yet we should continue to enlarge the scope of its activities. However, it must be admitted that work in the villages is very difficult. Not only is the educational standard of the farmers low, but also there is utter lack in rural cities of adequate financial machinery for the circulation of capital. The progress of rural enterprises can therefore not be compared with the progress of urban enterprises.

* One *mow* is equivalent to one-sixth of an English acre.

In the field of communications, two major improvements have been effected during the last months. First, since there were several different government departments in charge of communications, resulting in serious lack of co-operation and wastage of effort, the Executive Yuan at the beginning of this year established a joint commission for water and land transportation in order to unify the means of communication and distribute goods more intelligently. When the British and American loans are concluded, the number of motor buses and trucks on the public roads will be doubled.

Second, the Government has planned a network of railways in the Southwest. In addition to the Yunnan-Burma Railway, the Government is planning to build a line linking Kunming and Ipin (Suifu) near the Yunnan-Szechwan border. There will be an extension of the line from Weining on the Kunming-Ipin line to Kweiyang where it will connect with a railway to Liuchow in the heart of Kwangsi. This new railway system will link up closely the four southwestern provinces of Yunnan, Szechwan, Kweichow and Kwangsi. As to the railway in the Northwest, negotiations are proceeding with a friendly power looking forward to its eventual construction.

Again, the arrangement for air communications between England and China is worthy of notice. In accordance with the present agreement, our planes can fly to Rangoon, while British planes can fly from Rangoon to Kunming. At Rangoon we connect with the aerial highway between Asia and Europe. This arrangement will speed mails and passenger traffic between the two continents of Asia and Europe.

You are receiving at another time a detailed report on military affairs. I shall have another opportunity to report in full upon the financial administration, so I shall not discuss this now.

From the foregoing review of activities, we may conclude that our organization for the prosecution of the war has been gradually improving. We have mobilized our man-power, financial resources, and material resources more effectively than the enemy in his much publicized general mobilization. Our success has been due largely to careful planning on the part of the responsible government agencies under the guidance of the Generalissimo.

War with a foreign power is a crucial test for any nation. One of our weaknesses disclosed by this war is that we have

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

not been sufficiently modernized. The enemy attacked us just at a time when we had begun to modernize ourselves. He thought that we were not well prepared for resistance, and believed that quick victory would follow a swift attack on China. But he misjudged the situation. In the midst of hardships and sufferings, the Chinese race has demonstrated the great spirit upon which it has been nurtured for thousands of years. Therefore, we have faith in China's bright future. The war of resistance has increased our self-confidence.

By constant self-examination we can remedy our shortcomings as soon as they are found. The good qualities manifested by our people should not only be conserved, but they should also be developed and given larger expression. This meeting of the People's Political Council gives us an opportunity to examine our past activities and to plan for the future. With all sincerity the Government wishes to discuss with you the important problems that face the nation. Many questions relating to the present war of resistance and also questions regarding the long-term future policy of national reconstruction demand your earnest consideration. You are men and women of rich scholarship, ability and experience. We shall expect your deliberations to make a vital contribution to the welfare of our nation.

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

15675

TELEGRAM RECEIVED

JR

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

FROM Canton via N. R.

Dated July 22, 1939

'd 12:43 p.m.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
JUL 24 1939
Department of State

COPIES IN PARAPHRASE
SENT TO C.M.I. AND
M.I.D. IN CONFERENCE

80, July 22, 1 p.m. (GRAY)

The Japanese Consul General has informed me that the Pearl River will be closed to all navigation, due to military reasons, for about two weeks probably from night of July 24. MINDANAO has been informed.

(END GRAY) There is reason to believe the military operations indicated will take place in the West River and Pearl River deltas as there has been considerable fighting in that general area recently. Repeated to Chungking, Peiping, Hong Kong.

MYERS

CSB

JUL 31 1939

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

CONFIDENTIAL

15576

(Confidential)

PARAPHRASE

A telegram (no. 80) of July 22, 1939, from the American Consul General at Canton reads substantially as follows:

The American Consul General has been informed by his Japanese colleague that due to military reasons the Pearl River will be closed to all navigation for about two weeks, probably from the night of July 24. Mindanao has been informed. As there has been a great deal of fighting recently in the Pearl River and West River deltas there is reason for the belief that the military operations mentioned above will take place in that general area.

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

TELEGRAM RECEIVED

REB

GRAY



Tsinanfu via Peiping & N.R.

Dated July 19, 1939

Rec'd 12:45 p. m. 22nd.

Secretary of State,
Washington.

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

July 19, 9 a. m.

Referring to my despatch No. 119 and previous concern-
ing anti-British activities.

One. Confidentially informed Japanese gendarmerie
has instructed Chinese police to compile detailed informa-
tion concerning all Chinese employees of British firms
with particular reference to any real estate or other
important assets.

Two. Chinese police official charged with task
reprimanded for frankly asking for desired information
instead of obtaining such data secretly.

Three. Foregoing possibly presages retaliatory measure
against Chinese who continue ignore exhortations to sever
connections with the British.

Sent to Peiping, Chungking and Tokyo.

LOCKHART

CSB

FILED
JUL 26 1939

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

TELEGRAM RECEIVED

1-1336

FROM

REB

GRAY

Tsinanfu via Peiping & N.R.

Dated July 21, 1939

Rec'd 8:47 p. m. 22nd.



Secretary of State,
Washington.

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

July 21, 11 a. m.

Referring to my telegram of July 19, 9 a. m., situation
serious from point of view of British press but press
reports exaggerated. Some violence has occurred but British
subjects considered in no immediate danger.

Sent to Peiping only.

Sent to Chungking and Tokyo.

(UNSIGNED)

NPL

FILED
JUL 26 1939

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

DEPARTMENT OF STATE

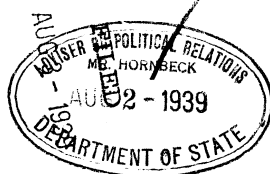
DIVISION OF FAR EASTERN AFFAIRS

July 29, 1939

Chungking's despatch no. 212 of May 22, amplifying telegraphic reports of Japanese air bombing of Chungking on May 3 and 4, cites a map (enclosed) and other evidence from which the Embassy concludes that "these two raids were conducted with the object of destroying the morale of the population of Chungking, breaking the will for continued resistance, and disrupting by virtue of mass destruction the ordinary pursuits of life". "The liberal use of incendiary bombs would indicate that the Japanese had as one of their objectives the destruction of the city by fire, a very great hazard in consequence of an inadequate water supply and of flimsy structures built in close proximity to each other." The despatch also refers to the providential escape of Americans from death and of American property from all but slight damage, the efficiency and energy of the Chinese fire fighters and relief workers, and the commendable calm of the Chinese population.

793.94/15248

FE:Chase:HJN



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



No. 212

EMBASSY OF THE
UNITED STATES OF AMERICA
Chungking, China,
May 22, 1939.

Subject: Bombing of Chungking on May 3 and 4, 1939.

RECEIVED
DEPARTMENT OF STATE

Confidential

1939 JUL 24 PM 1 5
DIVISION OF
COMMUNICATIONS
AND RECORDS



COPIES SENT TO
O.N.I. AND M.I.D.
in confidence *892*

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The Honorable
The Secretary of State,
Washington.



Sir:

I have the honor to refer to this Embassy's telegram No. 306, May 3, 3 p.m. and subsequent telegrams in regard to the bombing by Japanese planes of the city of Chungking on May 3 and 4, 1939, and to enclose in this relation a 1/ copy of a map prepared by the National Relief Commission showing the type and dispersion of the bombs dropped during the two raids in question. The map enclosed herewith was copied on the understanding that it would not be made public. The Embassy has reason to believe that it is reasonably accurate.

A glance

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

-2-

A glance at the map affords strong evidence of the indiscriminate and wanton nature of these two attacks which were launched on the commercial and most thickly populated sections of the city. If the Japanese were aiming at military objectives, as they subsequently alleged, they failed to damage what is probably the only legitimate military objective in the areas bombed - a military headquarters where officers gather for consultation. If the Japanese were seeking to destroy military objectives, it is difficult to perceive why they should fly in a direct course over that part of the city where such objectives are fewest and the civil populace thickest, moving as if by deliberate intent slightly farther westward for the second raid, and why they should wholly ignore real and important military objectives such as the arsenals and the military air field. This Embassy in the light of what transpired cannot but come to the conclusion that these two raids were conducted with the object of destroying the morale of the population of Chungking, breaking the will for continued resistance, and disrupting by virtue of mass destruction the ordinary pursuits of life. The liberal use of incendiary bombs would indicate that the Japanese had as one of their objectives the destruction of the city by fire, a very great hazard in consequence of an inadequate water supply and of flimsy structures built in close proximity to each other.

According to the Commissioner of Police, casualties in the two raids exceeded 5,000, of whom about 4,000 were killed and over 1,000 wounded. Property damage was extensive primarily as a result of fires which were extinguished only after great effort and skill on the part of organized fire
fighters

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

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fighters. By some stroke of fate American property escaped with but slight damage, although bombs fell on all sides of the hospital of the (American) Methodist Episcopal Mission where there were some eight American citizens residing, and an incendiary bomb set fire to and destroyed a building temporarily leased by W. D. Pawley, an American citizen.

- 2/ There is enclosed a clipping from the Hankow Herald giving some details of the raid of May 4, particularly in connection with the experiences of foreign residents. There is also enclosed a clipping from the same newspaper describing the relief work which was carried out with admirable precision and energy. The Embassy feels called upon to comment that despite the magnitude of the loss of life and property and the disruption of the normal processes of the city, the population behaved with commendable calm. Needless to say, the raids have facilitated the plans which were decided upon several months ago by the authorities for the evacuation of the civil population; the present object is to reduce the population from say 600,000 to 200,000 needed people who can be accommodated in secure shelters.
- 4/ Lastly, there is enclosed a clipping from the Hankow Herald containing the text of a radio speech delivered by Madame Chiang Kai-shek in which she sets forth the Chinese attitude in connection with the bombing of Chungking.

Respectfully yours,

Willys R. Peck

Willys R. Peck,
Chargé d'Affaires ad interim.

✓
Enclosures:

- 1/ Map
- 2/ Clipping, Hankow Herald, May 9, 1939
- 3/ Clipping, Hankow Herald, May 9, 1939
- 4/ Clipping, Hankow Herald, May 10, 1939

Original and four copies to Department;
Copy to Embassy, Peiping;
Copy to Embassy, Tokyo.

711.6/710/300
EFD:Hsi

4 *SP*

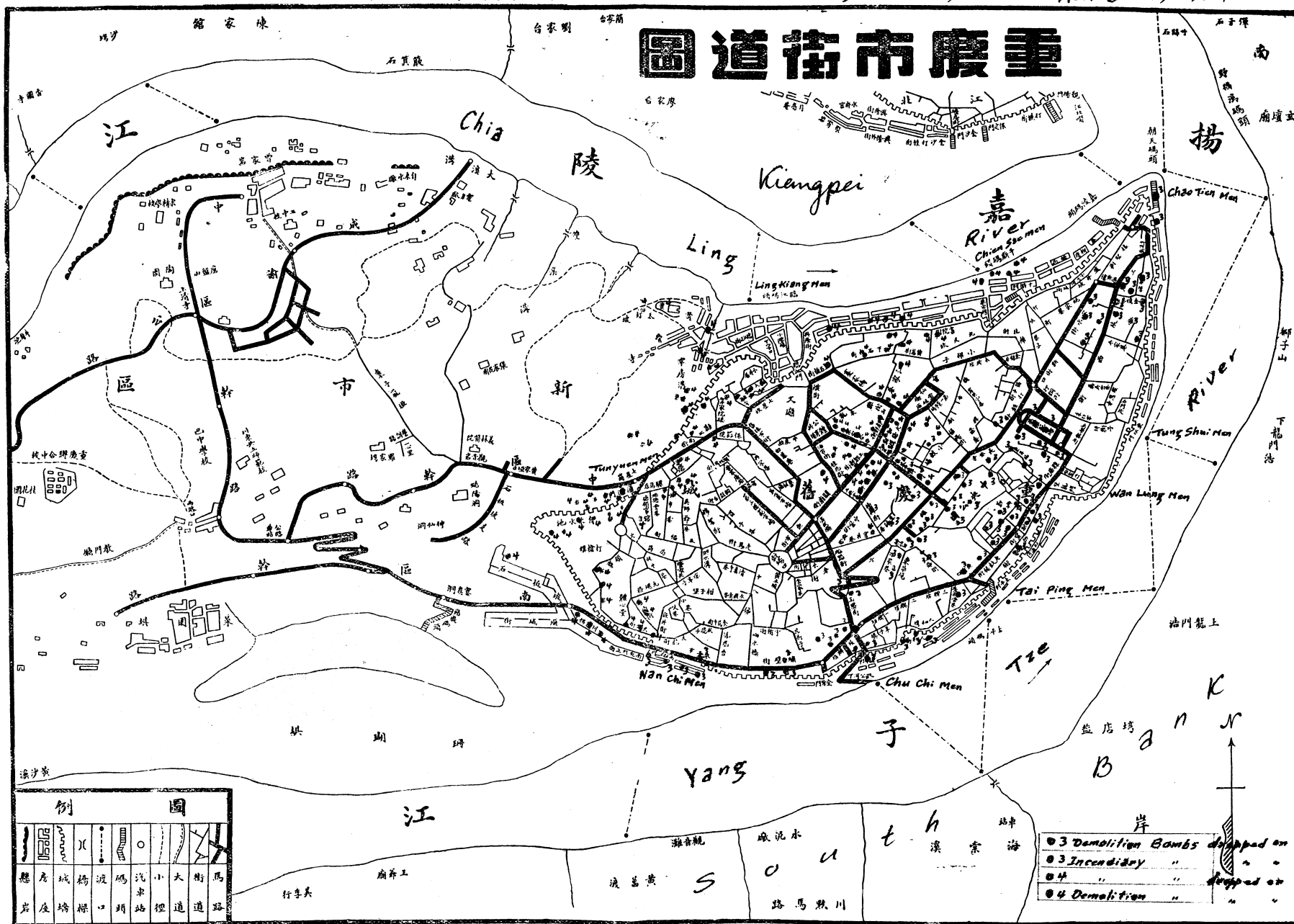
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MAP OF CHUNGKING~ SHOWING PLACES BOMBED

(This MAP does not include the South Bank and Kiangpui section)

Enclosure No. 1 to
Despatch No. 212
Dated May 22, 1939

MAY 3 & 4, 1939



民國二十七年十一月二版

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JAPANESE BOMBERS CONVERT CHUNGKING INTO BURNING INFERNO

MOST PROSPEROUS BUSINESS SECTION IS RAZED TO
GROUND WHEN DEMOLITION AND INCENDIARY BOMBS
ARE SHOWERED ON CITY; THOUSANDS KILLED

FOREIGN PROPERTY HEAVILY DAMAGED

(C.I.C.) May 7—In a fit of wanton fury, the Japanese air force on May 4 transformed the midtown section of the inner city of Chungking into a mad inferno of flame in which thousands were immolated. At 6:20 in the evening a Japanese flight of 27 bombers in single rank formation roared down from the North across the Kialin River, swept over the city in an instant and left a trail of incendiary and demolition bombs that marked the most merciless air raid in the history of the war.

The Japanese chose the hour at which the city was crowded with men and women on their way home to the suburbs from work. They deliberately selected the course of the city's main motor road and blasted great sections of bordering areas to bits. The incendiary bombs that fell on the city just before nightfall started fires in dozens of places, many of which were quickly extinguished—but in a matter of minutes seven huge conflagrations were roaring through the heart of the city in a swath a mile and a half wide and a half mile broad. By the time the darkness of night was full upon the city the red glow of the flames illuminated the countryside for miles around. The foreign missions of the town, escaped with surprisingly little damage. Worst sufferer from the disaster was the Friend's Mission. The windows of the Mission were all broken by the concussion of an incendiary bomb which exploded within 15 yards of the building while the walls and roof pitched and swayed. The Mission was immediately evacuated and its inhabitants took refuge at the Mission of the United Church of Canada. Mr. Arnold Vaught, head of the Mission returned almost immediately and found that flames from adjoining property were sweeping over his building. The eaves of the house were already smouldering. With the aid of friends Mr. Vaught, a Chicagoan, saved the Mission after three hours of heroic labour. It was the only building left intact in a vast area of devastation.

Providential Escape

A similarly providential escape was experienced by the Mission D'Etrangers De Paris. The mission compound was left entirely ringed about with smoke blackened ruins, with its buildings alone standing immune to the wrath of the Japanese bombing. A bomb burst within the mission compound, killing twenty Chinese who had taken refuge there, but of the foreign staff of the Mission, none was injured.

Located in the heart of the bombed area was the Methodist Episcopal Mission, whose head is the Rev. W. A. MacCurdy. The Mission was almost surrounded by incendiary bombs, and for a while it seemed that nothing could save it from the flames of the largest of the downtown fires. Here too the Mission was saved—this time by a fortunate shift in the wind. The Methodist Episcopal hospital "Syracuse in China" adjoining the mission was a center of activity throughout the night as an endless line of patients passed through its gates. The corridors, passageways, and floors, of the Hospital were littered with the wounded as the staff bent its every effort to alleviate their sufferings.

Although a score or more bombs were dropped in the Consular street area, Mr. J. Tahourdin, private secretary to the British Ambassador, was the only foreign casualty. He was slightly wounded in the head by flying particles. Several Consular officials, including Dr. Franz Siebert, German Consul-General attached to the German Embassy, narrowly, escaped serious injury.

British Consulate

The British Consulate-General suffered a toll of two killed and twelve wounded. The casualty list included Mr. J. Tahourdin, while all the other killed and wounded were Chinese servants of the consulate.

Two incendiary and two demolition bombs fell on the British Consulate premises but only two—one incendiary and one demolition—exploded. The demolition bomb hit the servants' quarters and killed two of the employees and wounded eleven others, while the incendiary bomb landed immediately beside the house of Mr. J.C. MacKenzie, Acting Consul. A corner of the two-story building was hit and demolished by the missile but the structure was saved by a squad of Chinese firefighters who had been standing by and who promptly put the conflagration under control.

Mr. Tahourdin was hit while he was standing with Mr. MacKenzie and Mr. I West Maccott, Honorary Attache to the British Embassy in a small lane off Consular Street while the bombings were raging in that sector of the town.

The two bombs which did not explode landed in front of the residence of Mr. W. Stark Toller, British Consul-General.

Repairs Necessary

All the buildings of the British Consulate—offices and residences—were badly shaken during the bombing. The Union Jack hoisted above the Servant's Quarters was blown down when those houses crumbled. All the window panes, woodwork and doors in the offices of the residences were destroyed and these as well as all the ceilings of the houses, according to the Consul-General, will have to be repaired.

An inspection of the two-story house occupied by the Consul-General as his residence showed that

HANKOW HERALD.

May 9th. 1939.

Enclosure No. 2 to
Despatch No. 212
Dated May 22, 1939

the fire.

Chinese Clerk Injured

The only known casualty was that of a Chinese clerk attached to the Consulate. He was seriously wounded outside the Consulate. Mr. Wang Mei-sung, Chinese secretary, who sought shelter under the city wall at the time of the bombing, fortunately found his way to the Consulate, escaping from the burning inferno by going around the wall.

Over twenty German residents reported their safety to the Consulate in the evening. Von Lo-chow, adviser to the Ministry of Communications, and Mrs. Hubert who stayed in the China Inland Mission in the city, were among those who did not appear at the Consulate. Hope for their safety was expressed by a Consulate official yesterday afternoon.

Demolition and incendiary bombs, which were dropped in the vicinity, missed the Consulate property. The high concrete walls which separate the Consulate grounds and buildings from the structures congested on the slope beneath, effectively checked the flames from spreading to the Consulate.

French Consulate Almost Destroyed

The French Consulate building on Consular Street was saved from demolition when a 250-lb. bomb struck the ground right in front of it, but failed to explode. An incendiary bomb which landed almost on the same spot also failed to produce the desired effect: the flames were quickly put out.

Like the German Consulate, the French Consulate was littered with shattered window panes.

M. Charrier, head of the Union Franco-Chinois de Navigation, was safe although his office was demolished in the air-raid the day before. His staff and he himself were not there when a bomb demolished the building in which his office was located.—END.

both the basement and second floor were strewn with broken glass, fallen dirt, and brick and wood particles. The dressing room of Mrs. Toller, wife of the Consul-General, and the room occupied by Mr. H. I. Brideaux-Brune, Assistant Counsellor on Chinese Affairs to the British Embassy were badly shaken by the impact of the bombings.

High Tribute Paid

The British Consul-General paid high tribute to the heroism and loyalty to duty of a Chinese nurse, Miss Hsiung Shu-ching. She was sent to the consulate by the Chungking Municipal Hospital and she spent the whole evening attending to eleven wounded Chinese servants.

British property damages that have been reported to the British Consulate-General include the damage done to the office buildings and an apartment house of the Schuchardt Company managed by Mr. J. L. Harrison. Two Americans connected with the China National Aviation Corporation who were staying in the apartment suffered a bad shock, and bleeding of the ears. The premises of Philippidis Company owned by Mr. P. M. Philippidis were also destroyed by incendiary bombs.

Dr. Sieberts, Narrow Escape

Dr. Franz Siebert, German Consul-General, narrowly escaped serious injury when a piece of shrapnel shot across a window and struck his desk in the Consulate building. It happened just after Dr. Siebert had left his desk on the second story on his way to the ground floor.

Despite the raging flames which were consuming everything before them and which were rapidly spreading to the building, Dr. Siebert and the Consulate staff including Mr. J. Bresan, Mr. W. Friedrich, Mr. Wang Mei-sung and Miss I. Zech remained in the Consulate throughout the bombing and

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

ary bombs, and for a while it seemed that nothing could save it from the flames of the largest of the downtown fires. Here too the Mission was saved—this time by a fortunate shift in the wind. The Methodist Episcopal hospital "Syracuse in China" adjoining the mission was a center of activity throughout the night as an endless line of patients passed through its gates. The corridors, passageways, and floors, of the Hospital were littered with the wounded as the staff bent its every effort to alleviate their sufferings.

Yeoman's Service

At the hospital of the United Church of Canada, Doctor Stuart Allen did yeoman's service far into the night as he endeavoured to cope with the unceasing stream of wounded people that poured past him. The sisters of the Mission of Franciscan Sisters in the consular district also threw open their doors to hosts of the suffering.

Daybreak found a tired-eyed Mission community that had battled against almost overwhelming odds and was still undaunted in its determination to bind and heal the wounds inflicted by a savage barbarism.

(C. I. C.) May 7 — British, German and French Consulates in Consular Street and foreign properties throughout the city suffered heavily from the second Japanese air-raid.

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

HANKOW HERALD.
 May 9th. 1939.

VICTIMS OF AIR RAID ARE GIVEN QUICK RELIEF

Initial Fund Of \$1,000,000 Is Appropriated For Emergency Aid And Evacuation

All Cars Commandeered For Sending Refugees

Entire Population Mobilized To Render Service; Officials To Give One Month's Salary

(C.I.C.) May 7—Immediately after Chungking realized the terrific havoc wrought by the Japanese planes, the entire population, led by the Chinese Government, was mobilized for emergency relief services to both the victims and the refugees.

By an order of Generalissimo Chiang Kai-shek, every Kuomintang member, every government employee and every member of the San Min Chi I Youth Corps was mobilized to do whatever he could to alleviate the pains of the homeless people. An initial fund of \$1,000,000 was appropriated for emergency relief and evacuation, while another \$700,000 was added for the construction of fire lanes. General Ho Ying-chin, Minister of War and Chief of Staff of the Chinese Army, was placed by the Generalissimo in charge of the relief and evacuation of Chungking civilians, while Quarter-Master General Yui Fei-peng of the Military Transport and Supplies Board of the National Military Council was appointed commander of traffic control. Meanwhile, Dr. H. H. Kung, President of the Executive Yuan and concurrently Minister of Finance, ordered the National Relief Commission to devise whatever emergency measures are necessary for the migration of the Chungking populace.

Mme. Chiang Visits Areas

Madame Chiang Kai-shek personally visited all stricken areas soon after the bombing and was so deeply touched by the scenes of destruction that she urged all government and private cars to be commandeered for the evacuation of homeless people into the country. No less than 300 cars, including many trucks and buses, were mobilized for this emergency service before noon of the day following the raid. Meanwhile all public and private ships and ferries have been put at the service of refugees who are fleeing into the interior of Szechuan via the Yangtze and the Kialin rivers.

General Ho Ying chin is releasing statistics at midnight of the 5th on the total number of people evacuated and the number of government organizations mobilized for emergency work since the raid. Madame Chiang Kai-shak's own car and those of the Generalissimo were the first to put at the service of the homeless people. She also ordered all war service and war relief workers to remain at their posts until order had been restored and all people had been evacuated. Over 1,000 of her war orphans were evacuated safely and she ordered her workers to take care of every child orphaned by the fire.

Greater Aid Planned

The Chinese Government has ordered that all government official and military officers with a rank of colonel or higher contribute one month's salary to swell the national emergency relief appropriation. Meanwhile, the National Military Council is discussing with the leaders of the different government offices ways and means of giving greater aid to the air-raid refugees and of enforcing mass evacuation of women and children from Chungking.

On the highways which connect Chungking with nearby towns, a number of rest-stations in which meals, tea and medical care are being given to the refugees have been established by the National Relief Commission with the co-operation of the various government offices. The Commission, besides mobilizing its entire staff for giving first-aid to the wounded, is awarding a lump-sum compensation to the family of each person killed in the raid.

Private Organizations

Considerable assistance is being rendered by private organizations. The Chungking International Christian Relief Committee which represents a joint effort on the part of all national and local protestant missions and the Y.M.C.A. in China's Capital was organized shortly after the raid. The Committee which consists of many foreigners is doing much in digging up the victims, giving first-aid and accommodations to the wounded, and generally helping the authorities to evacuate the refugees. It has also established an information bureau whose duty it is to direct the refugees along the ways.

Chinese military service men have also come to the help of the air-raid victims. A large number of the armed forces, including an entire division, were ordered to do whatever they could to salvage machinery, industrial goods and personal effects from the blazing areas in the downtown section. Many were, at the same time, heroically engaged in helping the firemen and volunteers to fight the fire.

Enclosure No.3 to
 Despatch No.212
 Dated May 22,1939

HANICOW HERALD.

May 10th. 1939.

MME. CHIANG KAI-SHEK DENOUNCES AIR RAIDS IN BROADCAST SPEECH

JAPANESE BOMBERS HAVE SPREAD RUIN AND DEATH ALL OVER CHINA. BUT THEY HAVE NOT SPREAD DEFEAT, SAYS FIRST LADY; CHINESE TO FIGHT ON

AUSTRALIA MENACED BY JAPAN

"Throughout the whole of China air raids have spread ruin and death; but they have not spread defeat", said Madame Chiang Kai-shek in a broadcast to Australia between 6:20 and 6:30 this afternoon. Following is the full text of her broadcast:

"May I convey the greetings of the people of China to all of you who live in the smiling, peaceful lands of Australia, and to all who live elsewhere who may be listening.

"I am speaking from a tragic spot. All about me are the smoking ruins of what were but a few days ago parts of the prosperous, densely populated city of Chungking. Because of that I have abandoned the subject I selected when I was asked at broadcast, and I am going to speak on air raids and their consequences. Air bombardment is the most monstrous invention for mass murder of innocent civilians, who are far removed from any actual battle front, that this civilized age has produced; but it cannot win a war.

Ruin And Death

"Throughout the whole of China air raids have spread ruin and death; but they have not spread defeat.

"From the north to the south of China—from the seaboard to the far west—our country has been lighted by the flames of our homes and our businesses, and the wide sky has been tortured without surcease by the agonizing cries of our dying. Every day that the sun shines, and days when it hides, as if in shame, the bombers of Japan fare far and wide with merciless intent to create new holocausts.

"To Mars they daily make burnt offerings of Chinese men, women, and children, while the wide world watches.

"I have witnessed the bombing of towns all over China; I have travelled for days on end through avenues of stark ruin, I have seen interminable lines of our stricken people toiling, struggling over the mountains following the will-o'-the-wisp of safety. And later I have heard how scores and scores of them have been murdered in cold blood by the machine-gun bullets of cruising Japanese aircraft.

Wanton Mass Murder

"At this moment, while I am speaking, I have in my nostrils the reek of bombed Chungking—a city which lies 1,400 miles up the great Yangtze River. Here was committed wanton mass murder and incendiarism on a scale never before experienced or recorded; and such as, I hope, no other city in the world will ever have to experience.

"For months, in the winter, this region is hidden by fogs, but realizing the death trap that it is the Japanese were content to wait, knowing that in their own good time, and by disregarding all humane impulses, their bombers could crush and burn the city and reduce it and its inhabitants to embers.

"They boasted to the world what they would do; they boast again

worse horror upon our ill-protected heads.

"They cannot beat us because we are essentially an agricultural nation who have nowhere any concentrations of destructible wealth the loss of which would cripple us and place us at the mercy of a vicious and better armed foe.

"They cannot beat us because we will fight for our good earth, for our sovereignty and our freedom, as you would fight for yours, until our land is drenched with the blood of our millions.

China Invulnerable

"Here, then, is the grave lesson to be learned by you in Australia who are listening to me. We have not a single vulnerable centre in all our vast land. You have your wealth concentrated in your coastal capitals and in a very few interior centres.

"A blockade, and a fraction of the bombardments which have been visited upon China by such a ferocious foe as the Japanese have proved to be, would prostrate you and leave you helpless.

"We began our resistance with a population estimated at four hundred and seventy million people, MME. 2

while your population is but seven million five hundred thousand—less, be it noted, than the number of Chinese people who have already been forced by war, especially by aerial bombing, out of their homes and businesses.

"What could possibly save Australasia and the whole South seas if China failed to continue her resistance? Or if Japan continued to secure this vast land of ours as part and parcel of the Asiatic Empire she dreams of developing?

Danger To Australia

"With the European panorama being what it is, no fleet could give any help to Australia. If Japan utilized nearby islands as a base for her navy and her air force, in vain could the fighting qu'a of

the seven-and-a-half million people of Australasia resist an invasion as Japan could launch if fortified by the resources of a conquered China. Do you realize the full import of such a possibility? Do you, in your peaceful pastures, grasp the significance of what really is happening here at your northern doorway? Do you in your mining areas and in your cities know what the consequences of a weakened and defeated China would be to Australia?

"There is but one answer: The failure of China to continue successfully to resist until the aggressor is driven from her shores would mean the creation of a menace to the whole Democratic world—a menace which would first jeopardize the safety and the security of Australia, and involve that peaceful land in catastrophe.

"The conquest of China will not satisfy Japan. If her claim is honest that she must have land for her increasing population she cannot find accommodation for any of her surplus in China. Every piece of arable land in our country is occupied and is being cultivated by our own people. In this province of Szechwan they terrace all the hills and mountains as high as cultivation is possible. Japan is fully aware of this condition. What she wants of China is a continental base for her Empire, and our natural resources.

Attractive To Japan

"For unoccupied spaces for her people Japan will look elsewhere. Manchuria is useless to her for colonization. It is too cold, and the Japanese now admit that Korea is not attractive; nor is Formosa. If they were, they would have absorbed Japan's overpopulation long ago. But Australia does attract, and it has the vast unoccupied areas which no other country in the Pacific possesses. That is why Japan covets your land; that is why the future is dangerous; that is why it will be disastrous for you if by mischance, or by Democratic indifference, China is permitted to be blotted to death.

"We are doing our best to prevent such a fate. We have been fighting a single-handed war of

defence for nearly two years. We will continue fighting. Though Japan may bomb our cities unto dust, and bring death to large sections of our populations, one thing is certain; she cannot kill either our soul or our spirit. We have been pushed into the west, where we are building anew, and in time we will win the victory and recover what we have lost.

"When victory is ours we shall not forget the sympathy, the encouragement and the support which have come to us steadily from the people of Australasia, particularly our countrymen who live there, and who, I know, are following the course of this war with anxiety and hope."

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

Yangtze River. Here was committed wanton mass murder and incendiarism on a scale never before experienced or recorded; and such as, I hope, no other city in the world will ever have to experience.

"For months, in the winter, this region is hidden by fogs, but realizing the death trap that it is the Japanese were content to wait, knowing that in their own good time, and by disregarding all humane impulses, their bombers could crush and burn the city and reduce it and its inhabitants to embers.

"They boasted to the world what they would do; they boast again that will complete the immolation. So far they have, in a few fleeting moments, reduced large areas of the most congested city in the world to a foetid Colrotha.

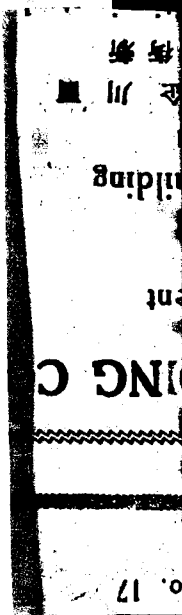
Deliberate Policy

"This shocking triumph of the Japanese is, however, but a large-scale repetition of the horrors they have already perpetrated upon thousands of other cities. It is a part of their deliberate policy to desolate China and impoverish and demoralize our people.

"They have so far vainly employed for 22 months every known deathdealing device to 'beat us to our knees'. They have employed them all with a reckless and ferocious barbarism, with an inhuman intensity, that have shocked mankind.

"They have blockaded our coast from north to south. They have ravaged our land with a military machine hitherto believed to be invincible, but they have not beaten us yet. Nor can they; even though they continue to pile horror and

(Continued on Page 4)



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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
Chungking, May 24, 1939.

No. 218.

Subject: Transmission to General Chiang Kai-shek
of a Letter from the President.

RECEIVED
DEPARTMENT OF STATE

1939 JUL 24 PM 1 54

DIVISION OF
COMMUNICATIONS
AND RECORDS



For Distribution-Check		Yes	No
Grade			
For			

793.94

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to acknowledge the receipt on
May 23, 1939, of the Department's instruction No. 159, 14877
of April 17, 1939, enclosing a letter from the President
to General Chiang Kai-shek and directing that it be trans-
mitted by whatever means might seem most appropriate.

On the day of the receipt of this instruction I had
an appointment with Dr. H. H. Kung, President of the
Executive Yuan. This presented the most appropriate means

of

FILED
JUL 26 1939

793.94/15249

F/FG

15249

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

- 2 -

of delivering the President's letter and I accordingly handed the letter to Dr. Kung and he promised that he would deliver it to General Chiang.

Respectfully yours,

For the Ambassador:

Willys R. Peck

Willys R. Peck,
Counselor of Embassy.

Original and two copies to the Department.

800.1/710

WRP:MCL

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 1, 1939.

Chungking's despatch no.269 of July 11 encloses a radio speech on guerrilla warfare which Chou En-lai, acknowledged expert on strategy and the "occupied areas" and "the one leading Chinese communist who enjoys the respect and confidence of the Generalissimo", made to the following effect:

In the second stage of the Sino-Japanese conflict which followed the fall of Wuhan, the "occupied areas" have increasingly become the center of importance from China's, Japan's and the world's standpoints as a result of basic changes in both combatants' strategy. Japan, having failed to achieve through military success or peace offers the quick victory which her precarious finances required, has been driven to the third alternative of "supporting war by war", i.e., reconstruction in the occupied areas to the end that their resources may be utilized to overcome the existing military deadlock and to accomplish Japan's object of creating a "new order" of her own fashioning on the Asiatic mainland; and she has accordingly turned her main energies from positional warfare to military, economic, political and spiritual conquest of the "occupied areas". Correspondingly, China, to thwart the Japanese objectives, has devoted increased military forces and efforts to guerrilla warfare behind the Japanese lines. While Japanese efforts in the "occupied areas" have thus far been prevented by the Chinese counter-activities from coming up to expectations,

Japan

793.74/152-63

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

Japan may be expected to redouble her efforts and can only be frustrated by China's development of effective guerrilla bases in the "occupied areas" (such as at Wutaishan, Shansi) and exhaustion of the Japanese by their continuous harassment on all fronts.

The despatch also encloses extracts from a statement by the Generalissimo in similar vein.

The Embassy comments that the Chinese have shown an accelerating tendency to divert their military strength from frontal warfare to guerrilla tactics; that the outcome of the conflict, as Chou "so clearly points out", will be decided largely by developments in the occupied areas and the effectiveness of Chinese guerrilla warfare.

Aside from the evidence it provides of Communist leader Chou's prominent participation in Chungking's "Second Stage" program, the speech will pay study as a masterly analysis of comparative strategy and as evidence -- encouraging from the Chinese viewpoint -- of the realism and far-sightedness with which Chinese leaders are approaching their problems. Portions of it have been marked.

793.94/15263

FE:Chase;JPS

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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

July 29, 1939

Tsinan's despatch no. 97 of June 19 refers to the absence of strong anti-Japanese feeling on the part of Shantungese. The Vice Consul contends that the Shantungese have no discriminatory hatred of the Japanese; that they regard all outsiders (including other Chinese) in the same category; that the Chinese are much closer to the Japanese from the point of race, language, culture, et cetera; that "proper 'guidance' of Chinese thought and the continued dissemination of anti-Occidental propaganda may not only eradicate the thin veneer of western influence in China but may consolidate the Chinese and Japanese peoples"; that, in the opinion of some, the Kuomintang would have seriously abridged foreign interests had not the hostilities intervened.

The Vice Consul's testimony as to the Shantungese' attitude is of interest, particularly in view of the present Japanese sponsored anti-British propaganda campaign in Shantung. However, with regard to his more general contentions, it is believed that, while they contain elements of truth, the Vice Consul (1) underestimates the differences between Chinese and Japanese, and (2) makes no allowance for the proven relative docility of Shantungese, as compared with most other Chinese (witness the Manchurians who are some 90 percent Shantungese), ~~for~~ the fact that the Shantungese have generally received much milder treatment from the Japanese than have most other Chinese, and ^{for} the stubborn Japanese inclination to ~~dem-~~ ^{finger} rather than understand and conciliate the Chinese.

FE: Chase

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 29, 1939

Tsingtao's despatch no. 419 of June 15 reports, as from a reliable American who recently bicycled from Haichow to Tsingtao, that the Japanese occupation of Haichow in March encountered little Chinese resistance; that the Japanese hold Haichow and the Lunghai Railway with small garrisons; that they have reconstructed two-thirds of the section of the railway from Haichow to Hsuehchow; and that there is now a motor road between Haichow and Sinanchen (between Haichow and Hsuehchow).

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FE: Chase: HJN

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

Copy for Department of State.

No. 419

AMERICAN CONSUL TE

Tsingtao, China, June 15, 1939.

Div. of
 FAR EASTERN AFFAIRS
 JUN 25 1939
 Department of State
AMC

79394

SUBJECT: Capture of Haichow by Japanese and
 Reconstruction of Eastern Section
 of Lung-Hai Railway.

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Sobolov		ONI-MID	

RECEIVED
 DEPARTMENT OF STATE

The Honorable

1939 JUL 24 PM 30

Nelson A. Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

I have the honor to report that a reliable American has supplied this consulate with the following details in connection with the capture of Haichow, on March 4, by the Japanese forces. Up until March of this year the extent of Japanese military and naval activity was the occasional bombing of Haichow city and the maintenance of a small naval force at the terminal point of the Lung-Hai Railway, Lien Yun Kang (連雲港) some 25 to 30 miles east of Haichow. (Many foreigners appear confused as to the actual terminus of the Lung-Hai Railway; Haichow is not the terminus but rather Lien Yun Kang). In spite of the actual blockading of Lien Yun Kang by the Japanese, junks and small launches proceeded up the river to Ta P'u (大浦) on the railway between Lien Yun Kang

and...

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AUG 8 - 1939

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ASSISTANT SECRETARY
 AUG 5 - 1939

DECLASSIFIED: E.O. 11652, 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 Haichow. The Japanese, however, made no attempt to go up this river, probably because there were large forces of the Chinese 51 and 58th Route Armies in the vicinity.

In the bombing raids on Haichow it appears that the Japanese airplanes were aware of the presence of the Southern Presbyterian Mission outside the walls of Haichow and proceeding inland, the airplanes apparently used the mission property as a guide, for the consulate's informant stated that the airplanes regularly passed over the property but did not bomb it.

When the final attack on Haichow was made, the Japanese marched forces, firstly, southeast from Ichow (Lini) in Shantung; secondly from Lien Yun Kang along the Lung-Hai Railway, and thirdly northeast from Sutsien (宿遷) and Shuyang (沭陽) with a fourth column moving northwest from Ta Yi Shan (大伊山). The only severe fighting took place in the vicinity of Sutsien and Yangho (洋河) near the Grand Canal. In spite of a force generally regarded as numbering 10,000 Chinese, the four or five Japanese columns enumerated above did not number more than two or three hundred each. What with airplanes and artillery to oppose, the Chinese defense in the Haichow region appeared to collapse, and resistance simply disintegrated with the larger part of the Chinese moving into southern Shantung;

a...

- 3 -

a goodly number moved toward the Kiangsu coastal region south of Haichow. At times the Japanese force holding Haichow in the three months since the capture has appeared to diminish, according to the consulate's informant, to a garrison of barely 200 men, and often as little as 40 or 50 men. In the city itself and along the railway the same conditions as are observed along the Tsingtao-Tsinan Railway exist, e.g. small garrisons and a fair amount of peace and order with occasional robberies and clashes among the guerrilla forces, each trying to enlarge its sphere of influence.

The consulate's informant made the trip from Haichow to Tsingtao by bicycle in the company of a Chinese pastor. The route followed is that shown in the Shantung Postal Map, via Taing Kow (青口), Tao Lo Chen (濤維鎮) and northward along the Shantung coast.

Reconstruction of Lung-Hai Railway.

One of the most interesting items reported by the consulate's informant was that the Japanese were reconstructing the eastern section of the Lung-Hai Railway and in fact had practically completed two thirds of the 140 miles between Hsuehowfu and Lien Yun Kang. The road was actually open between Hsuehow and Sinanchen (新安鎮). Furthermore an automobile

road...

- 4 -

road now exists between Sinanohen and Haichow.

When queried as to the materials, particularly as to the source of the railway ties and rails which the Japanese were using for the reconstruction of the railway, the informant stated that while the ties were not recoverable in large quantities, the Japanese through a system of rewards had been able to recover a surprisingly large number of the rails in spite of the fact that many had been carried off for distances up to 5 miles and buried. In this connection the consulate has found of much interest the following which is quoted from "The Nature of Guerilla Warfare" by Major R. Ernest Du Puy, F. A., U. S. A., which appears in the June 1939 issue of PACIFIC AFFAIRS:

"Railroads will be among the principal targets, if not the principal target, of guerrilla operations. The object of the guerrillas is interruption of rail transport; the more complete the better. In the American Civil War both the North and South found that simple uprooting of rails and ties meant only temporary delay, and that systematic burning of piles of ties upon which rails were placed to warp them was still only a temporary expedient. Ingenious methods of straightening out partly bent rails were soon invented. Only by actually putting a double twist in a rail can it be permanently put out of action, as it must then be re-rolled. So equally ingenious portable claws were then invented, to put such a corkscrew twist into a rail that it would be useless. Now it would appear that the Chinese have added another refinement, by use of their manpower. Rails are carried bodily off for several miles and buried.

"For a long time the Chinese, while still in possession of the Canton-Hankow line, used their manpower to make almost

immediate...

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

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immediate repairs of destruction caused by aerial bombardment. The Japanese today, by commandeering local population, can effect almost as speedy repairs, but the complication of rail disappearance is something not locally curable. Destruction of rolling stock, while quite serious, is not quite so important as permanent damage to the road-bed."

It would appear from the information received by this consulate in regard to the actual performance of the Japanese in reconstructing the eastern section of the Lung-Hai Railway that even the disappearance of steel rails has been an obstacle which is more apparent than real.

Respectfully yours,

Samuel Sokobin,
American Consul.

800
SS/OML

Original to Embassy, Peiping,
Five copies to Department of State,
Copy to Embassy, Chungking,
Copy to Embassy, Tokyo,
Copy to Consulate General, Shanghai,
Copy to Consulate, Tsinan,
Copy to Consulate, Chefoo.

A true copy of
the signed original.
Paul

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

TELEGRAM RECEIVED

JR

1-1335

PLAIN
FROM

Chungking via N. R.

Dated July 25, 1939

Rec'd 7 a.m.

Secretary of State,

Washington.

Division of
FAR EASTERN AFFAIRS
JUL 25 1939
Department of State

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

793.94

459, July 25, 11 a.m.

Japanese planes raided Chungking on July twenty-four at approximately seven forty p.m., dropping bombs in the northern and western areas of the city including the suburbs of Kaingpei. Preliminary reports indicate that casualties and property damage were slight and that American lives and property escaped injury.

Repeated to Peiping. Peiping please mail to Tokyo.

JOHNSON

DDM

FILED
JUL 26 1939

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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

July 28, 1939

Tsingtao's despatch no. 420 quotes an excerpt from the weekly summary of the Tsingtao American Chamber of Commerce to the effect that an astonishing number of Chinese are maimed or wounded by Japanese, both intentionally and by criminal carelessness (as in truck driving). The despatch encloses a list of cases treated by an American mission hospital which seems to substantiate the charge, and which is recommended for your perusal as interesting evidence of what would seem to be senseless Japanese cruelty.

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

No. 420

Copy for Department of State.

AMERICAN CONSULATE

Tsingtao, China, June 19, 1939.

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net
693.11171

SUBJECT: Comment of Tsingtao American Chamber
of Commerce on Japanese Treatment of
Chinese.

RECEIVED
DEPARTMENT OF STATE

1939 JUL 26 PM 3 30

The Honorable

COMMUNICATIONS
AND RECORDS

Division of
FAR EASTERN AFFAIRS
JUL 25 1939
Departing
Neilsen Trusler Johnson,
American Ambassador,

COPIES SENT TO
O.N.I. AND MID

882

Peiping, China.

Sir:

For M
S. Schuler
CNI/MID

I have the honor to refer to paragraph no. 89
of the weekly summary issued by the Tsingtao American
Chamber of Commerce for the week ending June 10, 1939.
That paragraph, for purpose of convenient reference,
is quoted as follows:

"89. ACCIDENTS In the course of tracking
down rumours we were astonished at the number
of cases of accidents, shootings, and wounds
treated in various Tsingtao hospitals. The
accidents run mainly in cases of persons hit
by speeding and careless Japanese trucks. In
nearly all instances the trucks did not stop
to offer aid and the injured were taken to
hospitals by passing civilians. The cases
of gunshot include women as well as men and
indicate that Japanese soldiers delight in
playfully using their weapons in the outlying
districts for target practice on innocent
Chinese peasants. Cases include persons shot
in the leg, knee, back or buttocks while
working in their fields planting or cultivat-
ing their crops. One case noted was that
of a coolie who was asked for cigarettes by
a Japanese Army sentry at the wharf and

having...

DEPT. OF STATE
AUG 3 1939
ASSISTANT SECRETARY
OF STATE

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

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having no cigarettes to offer, the coolie took to his heels. He was bayoneted in the leg requiring a week in hospital to recover. Another case of coolies gathering manure on the streets being shot by a Japanese officer for attempting to gather the droppings from his horse is also recorded. We mention these cases and will make further reference to similar cases in future in order that readers of this bulletin will know that condition of living under the invaders in China are not very pleasant."

- 1/ There is enclosed a list of cases treated by an American mission hospital during the past year in which the persons brought to the hospital held Japanese responsible for their condition. This list was compiled at the request, it is understood, of the Chamber of Commerce.

Respectfully yours,

Samuel Sokobin,
 American Consul.

Enclosure:
 1. List of cases.

800
 SS/QML

Original to Embassy, Peiping,
 Five copies to Department of State,
 Copy to Embassy, Chungking,
 Copy to Embassy, Tokyo,
 Copy to Consulate, Tsinan,
 Copy to Consulate, Chefoo.

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

Enclosure No. 1
 Tsingtao despatch no. 420
JUN 19 1939

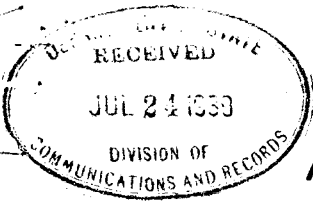
March 28, 1939	Farmer 67	Shot in elbow	Left hospital April 12
Feb. 25, 1938	Male 25	Bayonet wound in leg. Dock sentry asked him for cigarettes, he had none and started to run	Left hospital May 2
June 2, 1938	Male 35	Shot in knee, while planting potatoes	Left hospital June 7
June 18, 1938	Male 23	Shot in leg, while gathering grass. Bone shattered, permanently disabled	Left hospital against doctor's orders July 7
June 18, 1938	Male 24	Shrapnel wound, thigh	Left hospital July 15
June 26, 1938	Female 16	Shrapnel in shoulder. School bombing	Left hospital July 16
Aug. 15, 1938	Male 19	Hit by truck, brought in unconscious by an American. Fractured skull	Left hospital August 29
March 10, 1939	Male 28	Concussion of brain. Hit by truck. Brought in unconscious by American	Died March 12
Nov. 22, 1938	Male 31	Fractured knee and shoulder. Hit by truck	Left hospital December 20
Nov. 22, 1938	Female 19	Gunshot: entry thru back, exit thru chest	Died ten hours after admittance
May 17, 1938	Farmer 35	Three gunshot: back, buttocks, leg. One exit thru abdomen	Died May 19
Apr. 28, 1938	Female 23	Gunshot: entry thru chest, exit thru back	Left hospital May 22
May 21, 1938	Girl, 5 yrs.	Head injury, hit by truck, brought in unconscious	Left hospital May 24

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

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May 4, 1938	Male 38	Gunshot:entry thru back,exit thru abdomen	Died May 6
April 29,1938	Female 59	Gunshot:shoulder	Left hospital May 9
April 11,1938	Male 51	Gunshot:foot	Left hospital May 14
April 11,1938	Female 42	Gunshot,abdomen aborted seven months pregnancy	Left hospital May 14

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



DEPARTMENT OF STATE

Memorandum of Conversation

DATE: July 20, 1939.

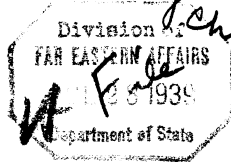
SUBJECT: Japanese bombings at Chungking.

PARTICIPANTS: SECRETARY OF STATE HULL AND THE
JAPANESE AMBASSADOR, MR. KENSUKE HORINOUGH.

COPIES TO:

*Copies sent to Peking (Chungking)
 + Tokyo*

*Copy sent to
 President, July 25.*



793.94/15253

The Japanese Ambassador came in today as a result of my request, made on yesterday, for an early report in reply to our conversation of July tenth, at which time I asked for an explanation and suitable expressions of the Japanese Government in regard to the reckless bombing near an American vessel anchored in the Yangtze River, damage to a church owned by American missionaries, and the dropping of bombs near the official residences of the American Ambassador and Counselor in Chungking. The Ambassador handed me the two attached statements, one of the Japanese Government and the other a report of their

JUL 26 1939

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

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their Commander-in-Chief of the China Sea Fleet, relative to this matter. As I read the statements I observed that the Government of Japan was repeating its old line of suggestions and comment to the effect that their military forces were warned to exercise full care in bombing operations and that Americans should be more appreciative of this attitude than they seem to be. I said further that this line of comment gets nowhere; that the big fact to be considered and dealt with is that Japanese bombs fell dangerously near the residences of our Ambassador and Counselor and our vessel on the Yangtze; that it is no answer in regard to this sort of dangerous bombing merely to repeat that Japanese officials are always warned to be cautious. I said that the fact is that this dangerous bombing did occur and, if it should be continued, something very serious was liable to happen, as the Government of Japan must realize, and, hence, the double emphasis my Government is placing on this single fact. I further said that, naturally, I did not attach much importance to these repetitions of the Government of Japan that the military officials are directed to exercise caution; that the big point is that some way must be found to avoid this dangerous bombing in localities entirely
away

- 3 -

away from any of the armed forces or properties of the Chinese Government. I indicated my disappointment, by repeating such remarks as the foregoing, and in no way indicated any satisfaction with the Japanese communication, but, on the contrary, continued to say that the sole question relates to whether the Japanese Government would in the future use sufficiently increased precautions as to put an end to such dangerous bombing as occurred in the instant case.

The Ambassador said that it was hoped my Government would urge its nationals to exercise as much caution as possible to keep away from places of danger. I replied that my Government does not concede the right of any other outside country to a monopoly of highways or streets or other localities in China; that my Government, from the general standpoint of their personal safety, and without any implied concessions of any superior right or privilege of Japanese nationals to travel in and to occupy given areas, does caution its nationals in China to use reasonable and ordinary diligence to avoid danger or injury to their persons or properties. I further added that at the same time my Government stands unalterably for the doctrine of damages for any injury to the
person

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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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person or property of its nationals in connection with the Japanese activities in China. The Ambassador then said his Government hoped that our nationals would mark and locate their properties so these could be recognized and their locality and nature known. I said to him that while my Government, as just stated, does advise its nationals to exercise reasonable and ordinary diligence for the avoidance of injuries both to person and property, it does not undertake to indicate the manner in which this shall be done, but leaves this to its nationals there on the ground; that I might add, however, that they naturally and on their own initiative take many different steps to avoid injury to themselves or their properties, and, probably in most instances, they do endeavor to mark or otherwise indicate and make known the location of their properties to the proper officials of the Japanese forces. I said my recollection was that there could not well have been anything lacking in the way of information given to Japanese officials as to the location of the American Embassy, the residence of the Counselor, the American vessel nearby on the Yangtze River, and the church building. The Ambassador did not pursue this matter any further.

He then inquired what my opinion was about the
outlook

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

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outlook in Europe. I replied that my Government makes no predictions about the future in Europe but it is taking absolutely nothing for granted; that when the rulers of powerful nations put all their resources in armaments and in the organization of huge military forces, and when in speeches, every week or two, announce to the world that they have not got as much of the world's goods as they are entitled to and that they propose to get the desired additional amount by force, my Government still makes no predictions, but it does undertake to arm and to continue to arm so as to be prepared for any possible eventuality, and that this will continue to be its very definite policy. I then said that with so many nations exhausting all of their economic vitality by putting their entire substance into armaments and armies and navies, it is just a question of time when most nations will be utterly bankrupt and when not only will their peoples be in a state of more or less destitution, but, what is far worse, they will continue, as they are doing today, to drag the entire world down towards lower levels of existence; that this is a course now being accelerated in its awful effects in the way of human deterioration. I then added that my country fights
Bolshevism

DECLASSIFIED: E.O. 11652, 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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Bolshevism as do numerous others, but that the powerful nations, who are steadily lowering the standards of life of their own and other peoples by a course of militarism and military conquest, are really the greatest friends that Bolshevism has, in that they are steadily dragging the entire world unerringly in the direction of Bolshevism, even though they may imagine that they are actually fighting Bolshevism. The Ambassador did not express any disagreement with this.

C.H.

S CH:HR

Statement of the Japanese Government:

As stated by the Foreign Minister to the Charge d'Affaires of the United States upon the latter's representation on July 10, the Japanese Government regrets to learn that bombs fell near the official residences of the American Ambassador and Counselor in Chungking and an American warship anchored in the Yangtze, and caused damage to a church owned by American missionaries during the bombing of that place by the Japanese naval air force on the 6th and 7th of July.

However, it should be stated that the occurrence of such an incident was accidental. As described in the report of our Commander-in-Chief of the China Sea Fleet attached hereto, the air force concerned in the accident "is at a loss to know by what chance any bomb could have fallen on the southern bank of the Yangtze River." It is to be regretted, therefore, that the American authorities, on the basis of this unfortunate occurrence alone, should charge the Japanese naval air force with an indiscriminate and reckless bombing without according due credit to the assiduous care and the sincerity of purpose with which Japanese air forces have been endeavoring not to inflict any damage to the interests of third powers.

It has been repeatedly explained to the American authorities, either orally or in written statement, that the Japanese forces, regardless of whether they belong to the army or the navy, have taken every conceivable measure in their efforts for precluding the possibilities of endangering the lives and property of third power nationals.

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

They have made it their practice to investigate as minutely as possible the relative positions of their bombing objectives and the property of third powers before deciding upon the direction and sphere of their action, and in actual bombing the crews of their planes, though exposed at every moment to the attacks from the land and air forces of the enemy and by no means sure of the safety of their own lives in the next moment, have assiduously striven for accurate aiming and for the prevention thereby of any damage to the interests of third powers. It is earnestly hoped that the American Government will fully appreciate these circumstances and have confidence in the military discipline with which the Japanese air forces are performing their operations.

Notwithstanding these painstaking efforts of our air forces, untoward accidents do occur on account of the extreme difficulties arising from the fact that aerial markings of property are often imperfect and that Chinese forces, military organs and establishments are situated close to the property of third powers, as well as the fact that bombing has to be carried on while our air force is engaged in an aerial combat and is also exposed to fire from the ground. We earnestly hope that the American Government will appreciate the unavoidability of some bombs going astray under circumstances such as these. We are nevertheless very sorry for any damage that might be caused thereby to the interests of third powers. We have been constantly applying ourselves to the problem of discovering a method of minimizing such hazard to third powers, and will put forth still greater efforts with that end in view.

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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. Quisenberry NARS, Date 12-18-75

It is earnestly desired in this connection that the American Government will take further measures along practical lines with regard to the marking of property and the furnishing to the Japanese authorities more complete maps that show clearly the location of their rights and interests, as well as the prevention of the Chinese from constructing military establishments and organs, or concentrations of their troops, near such rights and interests.

July 20, 1939.

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

Report of the Commander-in-Chief of the China Sea Fleet:

Upon the receipt of the news that during the air raid on Chungking by our naval air force in the early morning hours on July 6 and 7 bombs fell in the neighborhood of American property, including the residences of the American Ambassador and Counselor and an American warship, the Commander-in-Chief of our China Sea Fleet, who recognized the regrettable character of the incident, immediately issued an order to take further precautions against recurrence of similar incidents, and at the same time called to Shanghai the senior staff officer of the air force concerned and made a personal inquiry into the affair. The Commander-in-Chief ordered the air force again, through the senior staff officer, to exercise caution. The facts of the case as established by the inquiry are as follows:

"A Japanese naval air force raided Chungking on July 6 between 2:55 and 4:00 o'clock A.M. (Japanese Standard Time) and on July 7 between 2:50 and 4:05 o'clock A.M. (Japanese Standard Time), the principal objectives being the Chungking headquarters of the chairman of the military affairs committee and the military establishments in the vicinity of the central park. During these raids it was noted that all the bombs landed nearby those objectives.

"The said air force was aware of the existence of American property on the south bank of the Yangtze River, namely on the opposite side of Chungking, and every precautionary measure was taken against inflicting any damage upon the property. Especially on the morning of July 6, despite the difficult circumstances in which our airmen found themselves as they were subjected to enemy gunfire under illumination, they exercised the utmost care even to the extent of performing the approach maneuver all over again when there was the slightest doubt as to the accuracy in aiming.

"Our men noted on July 7 two bombs go astray and fall in the river northeast of Chungking, but on neither July 7 nor 6 did they note any other

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

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bomb fall in the river or on the south bank. They cannot but wonder by what chance any bombs could have fallen near the American property."

July 20, 1939

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

*(Handed to the Secretary
by Mr. Horinouchi, July 20, 1937)
Copies sent to Peking
(Chungking) + Tokyo
Copy sent to
President, July 25.*



Statement of the Japanese Government:

As stated by the Foreign Minister to the Charge d'Affaires of the United States upon the latter's representation on July 10, the Japanese Government regrets to learn that bombs fell near the official residences of the American Ambassador and Counselor in Chungking and an American warship anchored in the Yangtze, and caused damage to a church owned by American missionaries during the bombing of that place by the Japanese naval air force on the 6th and 7th of July.

However, it should be stated that the occurrence of such an incident was accidental. As described in the report of our Commander-in-Chief of the China Sea Fleet attached hereto, the air force concerned in the accident "is at a loss to know by what chance any bomb could have fallen on the southern bank of the Yangtze River." It is to be regretted, therefore, that the American authorities, on the basis of this unfortunate occurrence alone, should charge the Japanese naval air force with an indiscriminate and reckless bombing without according due credit to the assiduous care and the sincerity of purpose with which Japanese air forces have been endeavoring not to inflict any damage to the interests of third powers.

It has been repeatedly explained to the American authorities, either orally or in written statement, that the Japanese forces, regardless of whether they belong to the army or the navy, have taken every conceivable measure in their efforts for precluding the possibilities of endangering the lives and property of third power nationals.

FW 793.94/15253

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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

They have made it their practice to investigate as minutely as possible the relative positions of their bombing objectives and the property of third powers before deciding upon the direction and sphere of their action, and in actual bombing the crews of their planes, though exposed at every moment to the attacks from the land and air forces of the enemy and by no means sure of the safety of their own lives in the next moment, have assiduously striven for accurate aiming and for the prevention thereby of any damage to the interests of third powers. It is earnestly hoped that the American Government will fully appreciate these circumstances and have confidence in the military discipline with which the Japanese air forces are performing their operations.

Notwithstanding these painstaking efforts of our air forces, untoward accidents do occur on account of the extreme difficulties arising from the fact that aerial markings of property are often imperfect and that Chinese forces, military organs and establishments are situated close to the property of third powers, as well as the fact that bombing has to be carried on while our air force is engaged in an aerial combat and is also exposed to fire from the ground. We earnestly hope that the American Government will appreciate the unavoidability of some bombs going astray under circumstances such as these. We are nevertheless very sorry for any damage that might be caused thereby to the interests of third powers. We have been constantly applying ourselves to the problem of discovering a method of minimizing such hazard to third powers, and will put forth still greater efforts with that end in view.

0 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

It is earnestly desired in this connection that the American Government will take further measures along practical lines with regard to the marking of property and the furnishing to the Japanese authorities more complete maps that show clearly the location of their rights and interests, as well as the prevention of the Chinese from constructing military establishments and organs, or concentrations of their troops, near such rights and interests.

July 20, 1939.

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

*(Handed to the Secretary
 by Mr. Hornouchi, July 29, 1939.
 EPL.)*

*Copy sent to
 President, July 29*

*Copies sent to Beijing
 (Chungking) & Tokyo.*



Report of the Commander-in-Chief of the China Sea Fleet:

Upon the receipt of the news that during the air raid on Chungking by our naval air force in the early morning hours on July 6 and 7 bombs fell in the neighborhood of American property, including the residences of the American Ambassador and Counselor and an American warship, the Commander-in-Chief of our China Sea Fleet, who recognized the regrettable character of the incident, immediately issued an order to take further precautions against recurrence of similar incidents, and at the same time called to Shanghai the senior staff officer of the air force concerned and made a personal inquiry into the affair. The Commander-in-Chief ordered the air force again, through the senior staff officer, to exercise caution. The facts of the case as established by the inquiry are as follows:

"A Japanese naval air force raided Chungking on July 6 between 2:55 and 4:00 o'clock A.M. (Japanese Standard Time) and on July 7 between 2:50 and 4:05 o'clock A.M. (Japanese Standard Time), the principal objectives being the Chungking headquarters of the chairman of the military affairs committee and the military establishments in the vicinity of the central park. During these raids it was noted that all the bombs landed nearby those objectives.

"The said air force was aware of the existence of American property on the south bank of the Yangtze River, namely on the opposite side of Chungking, and every precautionary measure was taken against inflicting any damage upon the property. Especially on the morning of July 6, despite the difficult circumstances in which our airmen found themselves as they were subjected to enemy gunfire under illumination, they exercised the utmost care even to the extent of performing the approach maneuver all over again when there was the slightest doubt as to the accuracy in aiming.

"Our men noted on July 7 two bombs go astray and fall in the river northeast of Chungking, but on neither July 7 nor 6 did they note any other

FW 793.94/15253

041
DECLASSIFIED: E.O. 11652, 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-

bomb fall in the river or on the south bank. They cannot but wonder by what chance any bombs could have fallen near the American property."

July 20, 1939

0413

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

PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

15678

TO BE TRANSMITTED

☒ CONFIDENTIAL CODE ☒

NONCONFIDENTIAL CODE

PARTAIR

PLAIN

"Br"

Collect (Full rate
Day letter
Night letter

Charge Department:

Full rate
Day letter
Night letter

Charge to

\$

AMEMBASSY,

TOKYO (JAPAN).

Department of State
It should be sent in confidence. It should be carefully paraphrased before being communicated to anyone.
PR

Washington,

July 22, 1939.

4P

216 Department's 190, July 10, 6 p.m.

On July 20 the Japanese Ambassador called upon me at his request and handed me, by way of reply to my protest of July 10 in regard to the Japanese bombings of Chungking, two papers, one of which was headed QUOTE Statement of Japanese Government UNQUOTE and the other QUOTE Report of the Commander in Chief of the Asiatic Fleet UNQUOTE. I indicated my disappointment over the nature of the Japanese reply by observing that statements to the effect that Japanese military forces have been warned to exercise full care in their bombing operations is no answer to the dangerous bombing that is being engaged in and that if it should be continued some very serious incident is likely to occur. I said that the sole question is one of whether the Japanese Government would in future use sufficiently increased precautions to put an end to such dangerous bombings.

793.94/15253

JUL 22 1939 PM

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Enciphered by

Sent by operator M., 19

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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

15679

July 31 1939

STRICTLY CONFIDENTIAL

No. 704

The Honorable

Nelson T. Johnson,

American Ambassador,

Peiping.

Sir:

Referring to the Department's instruction (no. 701) of July 22, 1939 there is enclosed for your strictly confidential information a copy of a memorandum of conversation which I had on July 20 with the Japanese Ambassador in regard to Japanese bombings at Chungking. There are also enclosed copies of two papers which the Ambassador left with me, one headed "Statement of the Japanese Government" and the other "Report of the Commander-in-Chief of the China Sea Fleet".

Very truly yours,

Cordell Hull

Enclosures:

1. Memorandum of conversation, July 20, 1939, between Secretary Hull and the Japanese Ambassador.
2. Copy of "Statement of the Japanese Government".
3. Copy of "Report of the Commander-in-Chief of the China Sea Fleet".

Copy to Chungking.

FE:EGC:RAW:SS
 7/28



Routine

quik E/HG

793.94/15253

0415

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

July 81 1939

STRICTLY CONFIDENTIAL

No. 1780

Eugene H. Dooman, Esquire,
 American Chargé d'Affaires ad interim,
 Tokyo.

Sir:

Referring to the Department's instruction no. 1776
 and telegram no. 216 of July 22, 1939, there is enclosed
 for your strictly confidential information a copy of a
 memorandum of a conversation which I had on July 20 with
 the Japanese Ambassador in regard to Japanese bombings at
 Chungking. There are also enclosed copies of two papers
 which the Ambassador left with me, one headed "Statement
 of the Japanese Government" and the other "Report of the
 Commander-in-Chief of the China Sea Fleet".

Very truly yours,

Gertrude Hall

Enclosures:

Memorandum of conversation,
 July 20, 1939, between
 Secretary Hull and the
 Japanese Ambassador;
 Copy of "Statement of the
 Japanese Government";
 Copy of "Report of the
 Commander-in-Chief of the
 China Sea Fleet".

793.94/15253

FE:EGC

7-28-39



Routine

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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

15680

July 25 1939

793.94/15253

My dear Mr. President:

With reference to your recent memorandum in which you suggested that I protest to the Japanese Ambassador against the indiscriminate bombings at Chungking and ask for an immediate statement from the Japanese Government without making the matter one for formal exchange of notes, on July 10 the Japanese Ambassador called at my request at which time I read to him a statement in regard to bombings by the Japanese armed forces the text of which, together with a résumé of the ensuing conversation, is contained in the enclosed memorandum of conversation of July 10, 1939.

On July 20 Mr. Horinouchi called upon me at his request and handed me by way of reply to my representations on this matter two papers, one headed "Statement of the Japanese Government" and the other "Report of the Commander-in-Chief of the China Sea Fleet".

The President,

The White House.

793.94/15253

0417

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

15681

-2-

Fleet". There are enclosed copies of these papers together with a memorandum of the conversation which I had with the Japanese Ambassador on that occasion.

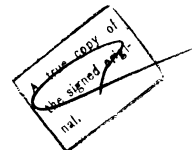
As is indicated in the memorandum of conversation, I made it quite clear to the Japanese Ambassador that I did not regard the reply as satisfactory. It is not believed, however, that any useful purpose would be served by pursuing this subject further with the Japanese Ambassador at the present time.

Faithfully yours,

Cordell Hull

Enclosures:

1. Memorandum of conversation of July 10 between Mr. Horinouchi and Secretary Hull.
2. Copy of "Statement of the Japanese Government".
3. Copy of "Report of the Commander-in-Chief of the China Sea Fleet".
4. Memorandum of conversation of July 20 between Mr. Horinouchi and Secretary Hull.



JUL 26 1972

FE:JWB:HJN/HES
7/25

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

No. 97.

RECEIVED
DEPARTMENT OF STATE

AMERICAN CONSULATE,

1939 JUL 25 PM 2 Peiping, China, June 19, 1939.

793.94

SUBJECT: SOME OBSERVATIONS ON THE FAR EASTERN
SITUATION.

Division of
FAR EASTERN AFFAIRS
JUL 26 1939
The Honorable
Department of State
Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

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

Sir:

I have the honor to report that the absence of
any deep-rooted hatred of or hostility towards the
Japanese by the Shantungese has frequently been re-
marked in recent months by foreign observers, includ-
ing the American Consul in Tsingtao. This, in the
opinion of this Consulate, is due primarily to the
comparative lack of national consciousness among the
people of this province (see this office's despatch
no. 26, January 23, 1939, file 800).

Whereas American missionaries were prone to be-
lieve even prior to the present hostilities that the
natives of this region were pro-American and anti-
Japanese, it is submitted that this may have been
true of the handful of Chinese with whom American mis-
sionaries and other Americans and Japanese had come
into direct contact, but that it most certainly did
not apply to the millions of people constituting the

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MASSON

- 2 -

masses of Shantung who had neither been influenced by nor had contact with Americans, Japanese or other foreigners. To them non-Shantungese Chinese, Japanese and Occidentals were (and continue to be) equally wai kuo jen 外國人 (foreigners), just as all outsiders are "furriners" to the mountain folk of America's south.

As an example of this lack of discrimination, the writer was once encamped while on a shooting trip across Kiaochow Bay from Tsingtao, not more than 15 miles on a direct line from that city, when asked his nationality by a native. Knowing the reputed hostility of the Chinese towards the Japanese, the writer jokingly replied that he was an jih pen jen 日本人 (Japanese). The questioner was subsequently overheard to inform other curious villagers who had approached the tent that the occupant thereof was a Japanese hunter. With auburn hair, blue eyes and a fair skin, it seemed incredible that people within 15 miles of a city which had been successively occupied for prolonged periods by the Germans and the Japanese could believe the writer a Japanese, but such was apparently the case. But notwithstanding the reputed hostility of the Chinese towards the Japanese even at that time (1935), the undersigned has never received kinder treatment from villagers in Shantung than on that particular occasion when "disguised" as a Japanese.

It is the considered opinion of this Consulate that certain very important features, or ideological potentialities, of the situation now taking shape in the Far East are being overlooked by many observers.

It should not be forgotten that the Oriental Peoples, particularly the Chinese and the Japanese, consider themselves

1421

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

- 3 -

selves superior intellectually, culturally and religiously to all western peoples, whom they look upon as mere upstarts.

It is true that the Chinese are being subjugated by an alien military force, but are the peoples of China and Japan so alien to each other after all? They probably have more in common than the British and American peoples, plus geographical proximity. In addition to racial propinquity, the Chinese and Japanese peoples have a common literature and a common cultural and religious background, not to mention similar customs, manners and codes of morality and of social intercourse. Their diet is similar and even today the same written language is employed by the two peoples.

By a common religious background is not meant merely the millions of Buddhists to be found in both China and Japan, but the ancient and universal practice of ancestor reverence and worship among the two peoples. Considering that until recent years the Chinese were wont to worship the "Son of Heaven" in Peking (Peiping), is it not conceivable that proper "guidance" of Chinese thought and the continued dissemination of anti-Occidental propaganda may not only eradicate the thin veneer of western influence in China¹ but may consolidate the Chinese and Japanese peoples spiritually, as well as politically and economically? In this connection, it is thought significant that the Japanese are fostering the revival of ancient customs which had been prohibited by the Kuomintang and which may well include, in the course of time, homage to and worship of a "Son of Heaven" enthroned in Tung Ching 東京 (East Capital or Tokyo) or Pei Ching 北京 (North Capital or Peking, renamed Peiping

^{when}
1. See Consulate's despatch no. 69, April 26, 1939, file 820.02.

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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

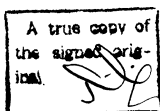
- 4 -

renamed Peiping when the Chinese Nationalist Government reestablished the capital at Nanking for political and strategic reasons).

An American missionary of unorthodox views, but who appears to be less delusional than most of his colleagues, recently expressed the opinion that the only thing which could save western influence and interests in China would be the utter exhaustion of both China and Japan as a result of the present conflict. This opinion is based on the conviction that foreign rights and interests in this country would have been greatly abridged if not entirely liquidated by the Kuomintang government except for its preoccupation by the Japanese invasion.

There is little room for mercy or gratitude, as these terms are known in the west, in the Oriental character, and for the Japanese to pursue other than a stern, cruel policy in their present dealings with the Chinese in occupied territory would simply be construed as a sign of weakness (just as the policy heretofore followed by Great Britain and the United States in the Far East is so interpreted by Japan) and intensify Chinese resistance.

Respectfully yours,



Carl O. Hawthorne,
American Vice Consul.

800
COH/KCC

Original to Embassy, Peiping,
5 copies to Department,
Copies to Embassies, Chungking and Tokyo.
Copies to Consular offices, Tientsin, Tsingtao
and Chefoo.

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

15682

TELEGRAM RECEIVED

CJ

1-1336

FROM

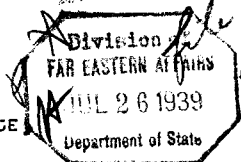
PLAIN

CHUNGKING VIA N.R.

Dated July 25, 1939

Rec'd 3:30 p.m.

Secretary of State
Washington.



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

458, July 25, 9 a.m.

Following is Central News translation of address
given by Chiang Kai Shek July 24:

"Since the entry of resistance into its third year,
our people has shown its will to be firmer and stronger
than ever. The scheming of the enemy and of traitors
now serves only to stimulate our revolutionary spirit and
invigorate us. I wish once again to impress upon you, my
comrades, that if we but maintain our firm determination to
press forward, the future of resistance will grow progres-
sively brighter, and no matter in what circumstances of dif-
ficulty there will ever be grounds for calm confidence in
victory. What I have first to say is that at the pre-
sent moment there is a greater stability in the situation
both in regard to military operations and in regard to home
affairs. Today our military strength and our ability to
exercise it are steadily improving. Meanwhile our internal
solidarity has been enhanced, since the departure from our
ranks

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

15583

-2- #458, July 25, 9 a.m., from Chungking via NR

ranks of Wang Ching Wei.

These two factors will enable us to smash a way through all difficulties whatever; such will only arouse us to greater heights of enthusiasm. It has been so with all revolutionary countries in the world: witness the severity of the privations endured by revolutionary Turkey and Russia. I have on several occasions in the past said: 'Our present difficulties are nothing compared to what we have yet to encounter; but it is out of the very midst of extreme dangers and difficulties that we shall snatch victory'. I meant to remind you that this war of resistance is a struggle for the consummation of our revolution, which no adventitious circumstances can influence. The enemy is now on the one hand making use of traitors against us and on the other seeking to procure our isolation from nations friendly to us. We are in no way alarmed by these tricks. There can be absolutely no talk of our being isolated while the vast majority of the peoples of the world uphold justice and fair-dealing and therefore sympathize with our cause.

In the past our revolution rested upon no material support. Previous to 1924, we fought our way with bare fists. The enemy shows little comprehension indeed of the spirit that fills us if he hopes to secure our sub-

mission

742

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

15684

-3- #458, July 25, 9 a.m., from Chungking via NR

mission by threatening the Powers into compromise with him or by instigating traitors to upset our economy.

There are now many organs of public opinion abroad which speak of a Japanese hope of bringing about a 'Far Eastern Munich'. This is a mere guess at the Japanese militarists motives. I hold that in fact there can be no question of any parallel. In the first place our friends among the nations are too sensible of their obligations and too well-informed of realities for them to follow the kind of conduct suggested in this phrase, abandoning their bounden duty and their legal position in a manner as injurious to their honour as to their common interests. In the second place China is not to be spoken of in the same breath with Czechoslovakia, for while our revolution is a product of our own unaided efforts, the nationhood of Czechoslovakia was born of the European War and the treaty which concluded it. After two years of war and the falling away of a few traitors our camp is absolutely undivided in opinion and the will of the people impreg- nably firm: no embarrassments of whatever kind can cause us to abandon our sacred duty. The world is fully aware of this.

When a people is subjected to external aggression, if it cannot exert its strength and stand up to resist the
attacker

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1421
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

15685

-4- #458, July 25, 9 a.m., from Chungking via NR

attacker with courage, it cannot hope that other countries will make unavailing sacrifices on its behalf. The tragedy of Czechoslovakia came about in this way. From the commanding standpoint afforded by more than two years of independent struggle we are of the opinion that the power making for justice held in the hands of friendly nations is now in process of gathering energy, and that when the fitting moment comes it will make itself felt in a very effective manner. As far as we ourselves are concerned, we have consistently followed the precept 'Heaven helps those who help themselves' by relying ultimately in all spheres military, economic and diplomatic, upon our own unaided exertions. We believe that no friends will abandon or betray us while we ourselves remain sound and upright. No nation will be led by the enemy to change the fundamental policy it has always pursued towards China.

The crooked thinking and propaganda of the enemy are really beneath our contempt. For if we put aside all moral considerations and speak only in terms of gain and loss we still cannot give credence to any possibility of Britain's really compromising with Japan. Britain is even better acquainted with Japan than we are. She knows well enough that Japan is no longer her Far Eastern watch dog of twenty years ago, but rather a mad dog turning against its former benefactor.

15686

-5- #458, July 25, 9 a.m., from Chungking via NR

benefactor. How could Britain abandon her standpoint and genuinely yield to Japan? Albeit Britain much desires a peaceful solution, she can only make concessions such as will not conflict with China's interests, and with the provisions of the Nine Power Pact. Otherwise she would be assisting Japanese aggression and more over helping Japan to destroy the Nine Power Pact. It would be equivalent to attacking China on Japan's behalf, and likewise on her behalf making enemies of all the other signatories of that Pact. Britain herself is a signatory of the Pact and America has been a still more prominent and consistent supporter of it. It is unthinkable that Britain should faithlessly associate herself with Japanese aggression and sacrifice her long-established relations with China, and at the same time cast aside her partner America. We refuse to pay any attention to the Japanese propaganda which suggests that this unbelievable change of face has taken place. We place our confidence not only in governments of friendly nations but also in the influence exerted on the side of justice by public opinion.

Moreover, in both the theory and practice, any understanding arrived at with regard to China by two powers acting without the cognizance and approval of the Chinese Government especially such as the Anglo-Japanese agreement

now

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

15687

-6- #458, July 25, 9 a.m., from Chungking via NR

now rumoured by the Japanese, can have no validity whatever and could in fact never be put into effect.

I do not hesitate to affirm my belief that the future will see a rapid improvement in the international situation. We must not be thrown off our balance by ill-founded rumours. Above all we must never forget that our own courage, indomitable in the face of all hardships, will ultimately remain the decisive factor; there is no room for the slightest sense of dependence upon others. The conception of dependence is incompatible with our revolutionary spirit.

Next award of the subject of our economy and currency. The foundation of our national economy is in fact as firm as that of our military machine. Intensified manipulations on the part of the enemy and his puppets have resulted in the dragging down of the exchange rate by speculators. A temporary state of uncertainty has ensued; but I wish solemnly to assure everybody that the Government will certainly maintain the value of our national currency, supply foreign exchange for the purpose of legitimate transactions, and take appropriate measures to meet the situation. In regard to foreign exchange, the Government has already devised a sounder and more rational method of control, by the exercise of which it intends to take advantage of the circumstances now prevailing to procure a final and
 thorough

15688

-7- #458, July 25, 9 a.m., from Chungking via NR

thorough solution of the problem. I shall make myself personally responsible for the carrying into effect of this method. As far as the concessions are concerned, I have NEVER BEEN in favor of indiscriminate supply of foreign exchange to those who do business there, for this exposes our wartime currency to the injurious maneuvers of enemy-actuated and unprincipled speculators. In the interior, however, the Government will unreservedly maintain the stability of the national currency and its exchange rate. Commercial transactions will undoubtedly go on as usual under conditions prescribed by Government decree. Likewise the circulation of national currency in the 'occupied areas' will unquestionably be maintained. No bad effect upon the livelihood of the people will be tolerated.

In short, in regard to the maintenance of national currency and the supply of foreign currency, the Government has definitely a policy it can pursue to the advantage of resistance and the benefit of the people's livelihood. The method of managing foreign exchange in Shanghai in the past was not only of no advantage to China merchants but also tantamount to bolstering up the enemy and puppet currency systems. If no change were made in this matter, we should be furnishing the Japanese with an even more convenient instrument wherewith to work the destruction

of

742:
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

15689

-8- #458 July 25, 9 a.m., from Chungking via NR

of the economic foundation of resistance. When such a new policy as I have conceived is put into practice it will on the contrary be reinforced. All my fellow-countrymen must realize that they must support the Government by aiding the realization of the new policy by all means in their power". (END SECTION ONE).

Sent to Department, repeated to Peiping, Shanghai.

JOHNSON

GW

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

15690

TELEGRAM RECEIVED

CJ

PLAIN

1-1238

FROM

CHUNGKING VIA NR

Dated July 25, 1939

Rec'd 5:15 p.m.

Secretary of State,

Washington.

458, July 25, 9 a.m. (SECTION TWO).

"I am in a position to reassure my comrades that the recent fall in the exchange value of the national currency will not in any way impair our ability to continue resistance. We have long ago laid up adequate stores of military material, and put aside foreign exchange to meet the need of replenishment. There will be no necessity of converting our gold reserve to this use. There has this year been a good harvest in all provinces, with the result that exports can be increased and the supply of necessities of life is assured. As for imports, the very fact of the fall in the exchange rate enables us to exclude many unnecessary articles of luxury formerly coming into the country, thus putting an end to considerable wastage. This natural form of thrift will have nothing but a favorable effect upon our war time economy.

I will call upon all of my fellow-citizens to bear in mind that the love of their country involves their support
of

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

5691

-2- #458, July 25, 9 a.m. (SECTION TWO)., from Chungking
 via NR

of national currency. Let none of them be led away by traitors of irresponsible talk into a trap laid for them by the enemy. Let all realize the sufficiency of the reserves possessed by the puppet note-issuing institutions such as the Hun Shing Bank and the Federal Reserve Bank. These so-called reserves are nothing but our national currency itself together with pilferings from our foreign exchange stabilization funds. Those in Shanghai and Nanking who have made use of the notes of these puppet banks have taken a first step toward selling themselves as traitors to the enemy.

In conclusion, in our resistance we rely upon none other than our own exertions. The aid of friendly nations will be forthcoming if we can show we are able to help ourselves. Meanwhile we must strive to compass victory through our revolutionary spirit, breaking down material obstacles by unflinching tenacity of purpose. The real dangers of our ~~cause~~ are past; having borne up during the past two years we now find that the ground is firmer beneath our feet; both in the field, at home and abroad, there is matter for satisfaction, while the difficulties that have arisen are only such as might have been expected. We must be ever prepared to face such difficulties as a

matter

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

5692

-3- #458, July 25, 9 a.m. (SECTION TWO), From Chungking
via NR

matter of course, as we press onwards with unflagging
vigour to the final destruction of the enemy and the
consummation of our revolutionary mission."

(END OF MESSAGE)

Repeated to Peiping, Shanghai. Shanghai mail
copy to Tokyo.

JOHNSON

EMB

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

FS

This telegram ~~was~~ **TELEGRAM RECEIVED** ~~from~~ **Heanow, N. R.**
 closely paraphrased be-
 fore being communicated _____ Dated July 25, 1939
 to anyone. (BR)

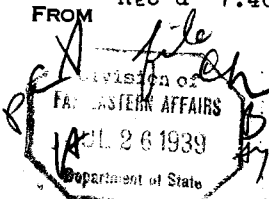
1-1836

Rec'd 7:40 p.m.

FROM

Secretary of State,
 Washington.

171, July 25, 2 p.m.



COPIES IN PARAPHRASE
 SENT TO C.N.I. AND
 M.I.D. IN C. I. ENC.

EXR

Troop movements during July suggests that most
 of the eleventh division and parts of the twelfth,
 thirteenth and fourteenth have been shipped down river.
 Usually well informed sources state that their destina-
 tion is Pukow from which place they will be sent to
 North China and some possibly to Manchukuo.

These sources anticipate a quiet Central China
 front during the next two months, which would seem to
 be a reasonable prognostication in view of the shortened
 Japanese lines in this area and the reduction of their
 fighting force. Hopai and Shansi is expected to be the
 only theater of serious Japanese military activities.

The Chinese forces in this district have increased
 in number through the growth of organized guerrillas.
 No direct action however is expected from the Chinese
 in the near future.

Repeated to Chungking, Peiping, Shanghai.

SPIKER

DDM:RR

793.94/15256

FILED

AUG 1 - 1939

F/F/G

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

CONFIDENTIAL

Confidential

P A R A P H R A S E

A telegram (no. 171) of July 25, 1939 from the American Consul General at Hankow reads substantially as follows:

No direct action is anticipated in the near future from the Chinese forces in the Hankow district although the number of these forces has increased through the growth of organized guerrillas.

It appears from troop movements during this month that parts of the twelfth, thirteenth and fourteenth Japanese divisions and most of the eleventh division have been sent down the river. The destination of these troops is Pukow, according to sources usually well informed. They will be sent from Pukow to North China and some may be sent to Manchuria.

The above-mentioned informants look for quiet along the Central China front during August and September. In view of the reduction of Japanese fighting forces and the shortened Japanese lines in the Hankow area this would appear to be a reasonable prediction. It is expected that the only area where there will be serious military activities by the Japanese is Hopei and Shansi Provinces.

793.94/15256.

EJC.
 FE:EGC:VN:SS
 7-27-39

KW
 FE

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

No. 395.

AMERICAN CONSULATE GENERAL

Singapore, S.S., July 6, 1939.

RECEIVED
DEPARTMENT OF STATE

AM 11 15

AIR MAIL

SUBJECT: Franco-British Defense Conference
at Singapore.

CONFIDENTIAL

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON. COPIES SENT TO

SIR:

I have the honor to refer to my despatch No. 379 dated June 22, 1939 regarding the opening of the Franco-British Defense Conference at Singapore and to report that the work of the delegates, which was expected to occupy two weeks, was completed on June 27, 1939.

As the delegates were all sworn to strict secrecy, no definite information is available locally in regard to the defense subjects treated or the decisions reached. Major-General Dobbie, General Officer Commanding Malaya, the senior military delegate, personally expressed regret at not being able to release to me confidentially information regarding the Conference and added that American participation in the proceedings would have been welcomed.

Air Vice Marshal Babington, on his own initiative said to me that overemphasis on secrecy prevented him from giving me information regarding the air defense problems discussed.

The short duration of the Conference indicated conclusively that there was little, if any, divergence of opinion among the delegates of the two powers or among the experts of

Division of
FAR EASTERN AFFAIRS
APR 27 1939
Department of State

ONT-MID

ASSISTANT SECRETARY
OF STATE
AUG 9 1939

793.94/15257

F/FG

15257

- 2 -

AIR MAIL

of the various branches of the armed services represented. There is little doubt that the events at Tientsin and the increasing German threat to Danzig created an atmosphere conducive to harmony and speed. That the emergency forced the delegates to work at high pressure is indicated by a statement made by the official interpreter * to one of my American friends ** that it was a matter of extreme importance to have the completed report of the Conference reach London by Monday, July 3, 1939. In the same conversation, my friend's informant added that the report was despatched in time to reach destination by that date but that, for reasons of safety and secrecy, it was carried by an airplane of the Royal Air Force instead of by the regular service of the Imperial Airways.

The strict secrecy prevailing at the Conference precluded the possibility of any information being divulged even to high ranking British officers on duty here. Consequently nothing specific in regard to the matters discussed or the decisions reached can be reported. Nevertheless, conversations with important British officers permit the following conjectures in regard to the decisions taken:

1. Complete unity of action of all British and French armed forces under the command of the ranking British officer in the Far East; at present Admiral Sir Percy Noble.

2. Reinforcement of the military forces of Malaya by troops from British India.

3. An extension of the means of defense for British North Borneo and Sarawak, important for its oil fields at Miri

* M. Adrian Alcan, a reserve officer in the French army who was attached to American Headquarters in France during the World War and who is now one of the Managing Directors of Anglo-French and Bendixsens, Ltd, a local rubber company.

** E.S. Adler of E.S. Adler and Company, Singapore, S.S.

- 3 -


AIR MAIL

Miri, as a consequence of the Japanese occupation of Hainan. The creation of ~~air~~ fields in addition to the ones at Miri (Sarawak) and Jesselton (British North Borneo) would be entirely logical and is suggested by a recent visit to Sarawak of Air Vice Marshal Babington. The fact that Commander Brownfield, Chief of Naval Staff, Malaya, has just returned from Sarawak reasonably implies consideration by the naval authorities of submarine bases there.

Incidentally, the consensus of military and naval opinion here is that Spratly Island cannot be developed into a submarine or air base and that its occupation by Japan constitutes nothing more than a blow to French prestige. *

I have learned on good authority that the possibility of the cooperation of the Netherlands, particularly Netherland India, was not considered at the Conference. ** My informant added that General Boestra, Commander-in-Chief of the Netherland Indian Army, had expressed to him such anxiety in regard to the possible adverse reaction in Germany and Japan to the Netherlands on their assumption of the latter's involvement in the united front to be achieved at the Conference that General Dobbie seriously contemplated the advisability of making a public announcement which would dissipate any idea that other than Franco-British cooperation was considered at the Conference. However, no such statement has been issued.

Respectfully yours,


K.S. Patton
American Consul General

* This interpretation of the situation was confirmed by a conversation with Major F.H. Vinden, Chief Military Intelligence Malaya and Colonel La Caille, Chief of Staff to the Commander-in-Chief of the French Army in Indo-China.

** Major F.H. Vinden, Chief, Military Intelligence Malaya

Distribution

1438
DECLASSIFIED: E.O. 11652, 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 -

AIR MAIL

Distribution:
Original and four copies to the Department.
One copy to the Embassy, London.

File no. 820/830
KSP/hgm

A true copy of
the signed origi-
nal.

Carbon Copy
Received *R. H. E.*

DECLASSIFIED: E.O. 11652, 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

CROSS-REFERENCE FILE

NOTE

SUBJECT Present state of mind of Japan: conclusion of two years since
 commencement of current hostilities in China, July 7, 1937.
 Study of-,

793.94/15258

For the original paper from which reference is taken

See #4000
 (Despatch, telegram, instruction, letter, etc.)

Dated July 6, 1939 From Japan (Dooman)
 To

File No. 894.00/861

15258 -

0 4 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

REB

TELEGRAM RECEIVED

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

CANTON VIA N.R.

FROM

Dated July 26, 1939

Rec'd 1:55 p. m.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
JUL 27 1939
Department of State

COPIES IN PARAPHRASE
LET TO O.M.I. AND
S.I.D. IN CONFERENCE

83, July 26, 6 p. m.

Reference my 80, July 22, 2 p. m.

The Pearl River is being closed to all navigation as from daylight tomorrow.

It is believed that the Japanese military operations indicated by the temporary closing of the river will include the occupation of Pakhoi the only unoccupied treaty port in this province, and possibly a move up the West River.

It has been learned that a considerable number of new Japanese troops have arrived here, possibly being replacements for others to be withdrawn for the above mentioned operations.

Repeated to Chungking, Peiping, Hong Kong.

MYERS

WWC

793.94/15259

F/FG

FILED

JUL 27 1939

793.94
not
-93.811

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

CONFIDENTIAL

P A R A P H R A S E

A telegram (no.83) of July 26, 1939, from the American Consul General at Canton reads substantially as follows:

Beginning at daylight on the morning of July 27 the Pearl River is to be closed to all navigation. The occupation of Pakhoi and perhaps a move up the West River will be included, it is believed, in the Japanese military operations evidenced by the temporary closing of the Pearl River. Pakhoi is the only treaty port in Kwangtung Province which is not occupied by the Japanese. There have arrived at Canton a rather large number of new Japanese troops which may be destined as replacements for other troops to be withdrawn for use in the operations mentioned above.

793.94/15259

FE:EGC:RAW:SS

7-28-39

FE

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

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT The situation in the Far East: Sino-Japanese conflict.
Review of past week-

793.94/15260

For the original paper from which reference is taken

See Memorandum
(Despatch, telegram, instruction, letter, etc.)
Dated July 20, 1939 From State Department
To Far Eastern Division
(Bacon)
File No. 890.00/154

FRG.

15260 -

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

PAP

PLAIN

15893

TELEGRAM RECEIVED VIA N.R.

Dated July 28, 1939

Rec'd 10 a.m.

Secretary of State
Washington

FROM
Division of
FAR EASTERN AFFAIRS

JUL 28 1939

Department of State

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

INFO: AMEMBASSY CHUNGKING
AMEMBASSY PEIPING
AM CONSUL FOOCHOW
AM CONSUL AMOY
AM CONSUL SWATOW

LEGAL ADVISER

AUG 1 1939

DEPARTMENT OF STATE

661, July 28, 4 p.m.

Japanese Consul General has communicated to Senior Consul a letter dated July twenty seven referring to previous communications on behalf of the Japanese naval authorities which requested that third power vessels leave the various harbors in South China where military operations were to be started and stated that the Japanese there to were to be closed after scheduled hours. The letter continued: "I have the honour to state that I have been informed that judging from the experiences on the spots not a few third power vessels appear to have not been well informed of the notifications above referred to."

I have the honour therefore to bring to your notice a list of those harbours thus closed Foochow Chinese code numbers (four three nine five, one five five eight) Wenchow

(three

793.94/15261

F/FG

15694

PAP -2- 661, July 28, 4 p.m. from Shanghai via N.R.

(three three naught six, one five five eight) Chunchow
(three one two three, one five five eight) Tungshan (six
eight nine four, one four seven two) Chaoan (six naught
nine six, one three four four) Shani (three naught seven
three, one four four two) Hinghwa (five two eight one,
naught five five three) Santuao (naught naught naught
five, six seven five seven, three four two one) Loyuan
(five naught one two, three two nine three) Shacheng (three
naught nine seven, eight two two naught).

I shall be grateful if you will be good enough to
bring the above to the knowledge of our interested
colleagues so that they may be able to notify again their
respective nationals collectively."

As the American position in regard to notifications
of this nature has been made clear to the Japanese
authorities on several occasions, I shall not reply to the
Japanese Consul General's communication unless instructed
to do so.

I have sent a copy of the Japanese Consul General's
letter to the Commander-in-Chief.

Repeated to Chungking, Peiping, Foochow, Amoy and
Swatow; by airmail to Tokyo.

GAUSS

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

15695

TELEGRAM RECEIVED

RFP

Peiping via N. R.

FROM Dated July 28, 1939

Rec'd 8:58 p.m.

Secretary of State
Washington

Division of
FAR EASTERN AFFAIRS
JUL 29 1939
Department of State

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

EJL

373, July 28, 4 p.m. 793.94/15137

Peiping's No. 311, June 27, 1939 concerning endangering of lives of American citizens at Hanchung, Shensi. Representative of the Japanese Embassy has called at this Embassy and expressed deep regret "for the occurrence of this unfortunate and unexpected incident." He stated in every particular that in cases where Chinese troops are active in the vicinity of foreign missions Japanese forces might, through military necessity, bomb such missions. He suggested that steps be taken by foreign missions to require Chinese troops to leave the vicinity of their missions, failing which, he further suggested missions of third power countries resident in such missions would do well to evacuate. He expressed the hope that the point of view of the Japanese military authorities would be understood. Despatch follows.

Repeated to Chungking, Shanghai and Hankow; by airmail to Tokyo.

LOCKHART

KLP

793.94/15262

FILED

AUG 1 - 1939

not
393.115
393.1115

DECLASSIFIED: E.O. 11652, 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 -

you well understand, in cases where Chinese troops are active in the vicinity of foreign missions, Japanese forces might, of military necessity, be obliged to bomb such Chinese forces. Therefore, the Japanese authorities feel that if citizens of third power countries desire to prevent incidents of this nature, they must take steps to require Chinese troops to leave the vicinity of foreign missions and not permit their properties to be utilized by them. Otherwise, the nationals of third power countries resident in such missions should evacuate. It is earnestly hoped that the American authorities and the persons concerned will understand the point of view of the Japanese military authorities as set forth above.

ARR-SC

193.94/15262

144

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



No. 269

AIR MAIL

EMBASSY OF THE
UNITED STATES OF AMERICA

Chungking, China,
July 11, 1939.

159,
A
EASTERN AFFAIRS
JUL 29 1939
Department of State

Subject: Chou En-lai and the Second Stage
of the Sino-Japanese Conflict.

1939 JUL 29 AM 10 43

COMMUNICATIONS
AND RECORDS

For Distribution	Yes	No
Specific		
For		

ON 14 JUL (when copies
arrive)

NOV 3 1939

ON

793.94

RECEIVED
JUL 12 1939
U.S. DEPT. OF STATE
WASHINGTON

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to enclose as of possible interest

- 1/ a copy in translation of the text of a radio speech delivered by Chou En-lai at Chungking on May 31, 1939 on the subject "The Center of Importance in the Second Stage of the War of Resistance". The Department will recall that Chou is an influential member of the Chinese communist party, that he was instrumental in obtaining the release of General Chiang Kai-shek at Sian in the closing days of 1936, that he is at present

793.94/15263

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NOV 9 1939

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-2-

present Vice Director of the Political Affairs Board (政治部) of the Military Affairs Commission, and that since the beginning of the present Sino-Japanese conflict he has served in a liaison capacity between the National Government and Chinese communist authorities. It is common knowledge that he is the one leading Chinese communist who enjoys the respect and confidence of the Generalissimo.

It is well known that Chou's views on political and military strategy command respect in Chinese circles. Moreover, he is regarded as competent to discuss the problems of the so-called "occupied areas" because that today is his special field of activity and because he has recently returned to Chungking from an extensive tour of investigation of the war areas of Chekiang, Kiangsu and Anhwei.

The burden of Chou's address is to point out that in the second stage or period of the conflict (which is regarded as having commenced with the fall of Hankow and Canton in October 1938) the main theater of operations is no longer on the main fronts where the opposing armies face each other but in the areas behind the Japanese lines. Chou asserts that having failed to crush Chinese military resistance or to persuade the Chinese people to accept peace terms, the Japanese militarists have been driven to a third alternative, namely, reconstruction in the "occupied areas" to the end that the resources of these areas may be utilized to overcome the existing military deadlock and to accomplish the Japanese object of creating a "new order" of their own fashioning on the Asiatic mainland. Chou considers it significant that Japanese activities have centered in the "occupied areas" during the past six months, including the conducting of extensive military campaigns looking to pacification of the guerrillas and the development of puppet regimes, and comes to the conclusion that these moves have not come up to the expectations of the Japanese. He utters a warning, however, that the

Japanese

-3-

Japanese militarists may be expected to exert even greater efforts in this direction in the future, and accordingly exhorts the Chinese people to frustrate the Japanese strategy through wide development of guerrilla warfare and the resultant exhaustion of the Japanese. To achieve the former he calls for the development of additional guerrilla bases in the "occupied areas" and for the accomplishment of the latter he advocates the continuous harassment of the Japanese on all fronts. Chou believes this policy can be executed and calls upon the Chinese people to cooperate in the building of bases behind the Japanese lines in order to defeat the Japanese through the policy of attrition.

2/ There is also enclosed a copy of extracts from a message, as published by the Central News Agency, issued by General Chiang Kai-shek to the people of the "occupied areas" on the occasion of the second anniversary of the Lukouchiao incident. This message also emphasizes the importance of the "occupied areas" and the part they must play in the future stages of the conflict.

It is the Embassy's observation that there is an obviously increasing tendency on the part of the Chinese to divert their military strength from frontal warfare to guerrilla tactics and that this movement is gaining impetus with the passage of time. It is the strategy which the Chinese communists have been advocating since the commencement of hostilities and which appears to have been adopted by the Chinese high military command following the significant military conference held at Heng Shan in November 1938. Reference to the speeches of General Chiang Kai-shek in the earlier stages of the conflict will show that he had the policy of guerrilla tactics in mind and that he was only waiting the development of a set of circumstances, such as the loss of China's most important lines of communications and industrial centers and of Japanese penetration into the interior and

dispersion

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

15700

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dispersion of troops, to put such a policy into effect. It is becoming increasingly apparent, as Chou En-lai so clearly points out, that the outcome of the Sino-Japanese conflict will be decided in large measure by future developments in the "occupied areas"; and it seems equally clear that the trend of these developments will be dependent to a large extent upon the skill and efforts of the Chinese themselves in waging guerrilla warfare.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Enclosures:

- 1/ Copy of text of address by Chou En-lai.
- 2/ Copy of extracts from message by Chiang Kai-shek.

Original (by air mail) and four copies to Department;
Copy to Embassy, Peiping;
Copy to Embassy, Tokyo.

710/800
EFD:Hsi

745
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

15701
Enclosure No. 1 to
Despatch No. 269
Dated July 11, 1939.

THE CENTER OF IMPORTANCE OF THE SECOND STAGE OF
THE WAR OF RESISTANCE

A broadcast by Chou En-lai at
the Central Broadcasting Station
on May 31, 1939.

Fellow countrymen! It has been almost two years since our war of resistance broke out; and the second stage of resistance has already progressed for more than half a year. Everyone is anxious to know the present war situation. It is, however, necessary to know where the center of importance really lies before one may understand the situation. As we see it, the center of importance in the second stage of the war of resistance is in the enemy rear, both from our own and the enemy points of view and from the standpoint of the world.

Following the fall of Wuhan, the enemy pointed out that the new stage of the war would be that of a war of reconstruction. This proves that the center of importance is now behind the enemy lines. Our Generalissimo's statements at the Heng Shan Conference that "political affairs are more important than military operations", "the masses are more important than soldiers", "publicity is more important than fighting", "guerrilla warfare is more important than positional warfare", "spirit is more important than material things" and "thrift is more important than production", and the decision at that Conference to allot a certain percentage of our manpower, military strength and financial power to the guerrilla areas, also constitute evidence of the laying of stress on the enemy rear. Internationally, we cogitate over our ability to continue resistance after the fall of many large cities and are especially concerned whether the enemy can utilize our manpower, financial resources and material resources in the occupied areas to compensate for their losses as well as to further their aggression
against

793.94/15265

DECLASSIFIED: E.O. 11652, 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-

against us. Such concern shows, likewise, the importance of the areas in the rear of the enemy.

Furthermore, since during the first stage of hostilities we fought a frontal war it follows that the center of importance in the second stage must necessarily be behind the enemy lines. The enemy, with their strong forces, attempted to bring the war to a quick conclusion during the first stage through frontal pressure. However, the enemy, contrary to expectation, failed to annihilate our main units even though fighting has continued for fifteen to sixteen months and the killed have aggregated six to seven hundred thousand. They have occupied many large cities and important communication routes and have spread a total strength of one million ^{but} men; they have been unable to suppress us. On the other hand, our willingness to fight remains unaffected by repeated setbacks, and the longer we have engaged the enemy the stronger we have become.

When the policy of bringing the war to a quick conclusion failed, the enemy tried to persuade us to surrender. Konoye's declaration was thus issued in an attempt to end the war by peace negotiations. Although his declaration won the support of the traitor, Wang Ching-wei, it could not stand the severe blow by our Generalissimo's statement of repudiation which resulted in Prince Konoye's fall and in disclosing Wang Ching-wei's plot to sell the country. Again, the attempt to seek a speedy cessation of war by peace negotiations failed; and the enemy began to understand that even if they could succeed in capturing two or three large cities, they would still be unable to wipe out our main forces or to end the war but would have to sustain more losses in strength and their troops would become more extensively dispersed, thus rendering it more difficult to induce us to yield. Also, the lack of military strength, financial power, and material resources, and the Japanese people's anti-war sentiment have made it absolutely impossible for the Japanese militarists actually to fight a prolonged war. The enemy policy has therefore been changed in

the

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

-3-

the past six months to "support war by war", thus turning the center of importance concerning their operations to the rear of their own lines. To "support war by war" is an attempt to compensate for the enemy losses by seizing our manpower, financial resources and material resources in order to continue their aggression. The enemy imagine that if they succeed in utilizing the occupied areas which include the fourteen most densely populated coastal provinces and the districts richest in natural resources and financial strength and possessing the most convenient communication facilities, this will assist them in overcoming their difficulties, will considerably increase ours, and will transform the conditions bringing about the present deadlock.

Is it possible for the enemy to realize such hopes? Our answer is that this will have to be determined by war. We must observe how the enemy progress in their attempt to "support war by war". 1) With regard to military operations, the enemy have made more efforts in the past six months to exterminate our forces (in the rear) than to attack (in the front). They have in China a total of 35 to 36 divisions. Apart from the engagements at Nanchang (Kiangsi) and TsaoYang (Hupeh) where the enemy ^{had} five or six divisions in frontal attacks, they have devoted 85 percent of their strength to defensive activities and to eradication of our forces in occupied areas. The result is, therefore, that we have witnessed only two comparatively large-scale battles at Nanchang and TsaoYang (during 1939). In the enemy rear, however, their annihilation and our counter-annihilation operations have taken place everywhere. Bitter battles are being fought daily from North China to South China. 2) As to the economic phase, the enemy have emphasized development and construction rather than isolation and destruction. In the past one-half year, the enemy have following the establishment of the Asia Development Board (興亞院) exhausted every effort toward the economic development of the occupied areas in China, such as the restoration of factories, the resumption of mining, the purchase of raw materials and grains, the promotion of the sale of enemy goods, the

-4-

circulation of bogus currency, and the construction of harbors. All such activities are aimed at the making up of losses and at supporting the war in China. 3) In the political field, the enemy has been aware of the ineffectiveness of the two existing puppet regimes in the north and south, and has done everything possible to induce Wang Ching-wei to organize a bogus political party and government in an attempt to split the Chinese people. The organization of the "World Peace Association" by the traitor, Wang Ching-wei, on his last trip to Shanghai is a concrete step in his traitorous plot. Simultaneously, the enemy has also attempted to persuade Marshal Wu Pei-fu to organize a bogus army. But Marshal Wu is naturally superior to Wang Ching-wei and has not up to the present consented to such request. The enemy has thus been obliged to organize puppet troops by employing degraded militarists, bandits and rascals. 4) Regarding spiritual activities, the enemy are gradually beginning to employ cajolery and promises rather than resort to cruel slaughter. With their experience of the past two years, they have been given to understand that their policy of brutality has only helped to intensify the hatred of the Chinese people instead of suppressing our convictions as expected. They have been forced to advocate this as a new conception of China. Nevertheless, they have merely employed such terms as the "creation of a new order in East Asia", "East Asia concepts", "East Asia thoughts", and "joint front against Communism", all of which are tools in the enforcement of their concrete plans of supporting war by war, a policy formulated with special emphasis on the areas behind their front lines.

As regards the result of the enforcement of such plans, we may say that in the past six months the enemy have not achieved the progress they had expected. The annihilation campaign has further scattered their troops; economic developments have met with our boycott and blockade; and construction activities have been practically fruitless owing to our policy of destruction. Wang Ching-wei's attempts to deceive the people have obtained

very

-5-

very little result as his traitorous activity has been widely perceived, and he is nearing his grave. Only if we warn the public from time to time not to fall into the trap of cajolery, the truthful statement "peace is surrender" will permanently become a commandment in our war of resistance. Consequently, the more Wang Ching-wei resorts to deceitful activities, the easier the enemy plots will be revealed and rendered ineffective. The enemy may have had little success in the past, but such as they have had must have been due to our own failures. We must know that the enemy used their national strength to attack us in the first stage of the war and for this reason we had to struggle for the initiative. In the present second stage, the enemy desire to utilize our manpower and material and financial resources for attacking us and, therefore, we are already on the initiative. The enemy will not be able to attain their goal of supporting war by war and will continue to fail only if we prevent our man-power and material and financial resources from being used by them. This is the reason why I consider the center of importance in the second stage to be located in the enemy rear.

With this reasoning clearly in mind, our policy of fighting behind the enemy lines will be an extensive development of guerrilla warfare, of which the requirements are twofold: firstly, the establishment of guerrilla bases and, secondly, the exhaustion of the enemy strength. The establishment of bases for guerrilla warfare is not only a military necessity, but also a political, economic and spiritual need. For the conduct of widespread war against the enemy on all fronts, bases must be established in their rear so that we may rely upon the land, people and resources in the spiritual and armed struggle, and upon economic blockades, boycotts and destructive activities in bringing about the overthrow of the puppet regimes, the collapse of the puppet forces, and the threatening of the enemy troops, thus bring about restoration of our own political authority. Without such bases, we will have no definite place, no people and no resources for prolonged

hostilities

-6-

hostilities in the rear of the enemy, and the danger of enemy's supporting war by war will be intensified. It is therefore a concrete requirement that guerrilla bases be established before the enemy rear may be transformed into the war front.

To exhaust the enemy's strength is the direct object of guerrilla warfare. Such warfare does not discountenance the attack and recapture of large cities occupied by the enemy should opportunity develop, nor does it fail to permit the concentration of forces under favorable conditions for eradicating the enemy's main units. The regular duty of guerrillas is continuously to kill the enemy and to destroy everything in their rear. If our forces behind the enemy lines unceasingly exhaust the strength of the enemy, an accumulation of such minor successes will constitute an overwhelming victory. This is our strategy and duty. If we succeed in establishing ten or twenty guerrilla bases in the enemy rear and each of them, such as those in the Wutai and Chungtiao Mountains, is capable of containing forty or fifty thousand enemy troops, twenty bases will be able to deal with the entire enemy strength in China. If each guerrilla corps is able to kill an average of ten enemy soldiers daily, one hundred corps will kill a thousand each day and in a year's time three or four hundred thousand of the enemy will be killed. The fundamentally weak point of the enemy is their lack of military strength; they are afraid of exhaustion. If we can contain them and later greatly exhaust them, our policy of turning their rear into the war front and of accumulating minor victories will be realized and our struggle behind the enemy lines will for the most part be successful.

Having realized where the center of importance lies in the second stage of our war of resistance, the time will undoubtedly come when the state of deadlock with the enemy will turn in our favor and the opportunity will develop for our final counter attack in order to win the ultimate triumph. We ask today that

the best

DECLASSIFIED: E.O. 11652, 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-

the best troops and citizens with the highest talents in the country penetrate into and establish bases in the enemy rear in order to exhaust the enemy and thus win the victory in the second stage of our war of resistance.

Original and four copies to Department;
Copy to Embassy, Peiping;
Copy to Embassy, Tokyo.

Trans. : Hsi
Checked: EFD
Typed : Hsi

DECLASSIFIED: E.O. 11652, 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. 269
Dated July 11, 1939.

GENERAL CHIANG ISSUES MESSAGE TO PEOPLE IN "OCCUPIED AREAS"

Central News Agency,
July 8, 1939.

Generalissimo Chiang Kai-shek yesterday broadcast a message to the Chinese inhabitants in the war zones on the occasion of the second war anniversary, in which he pointed the way to a four-point policy in their struggle against Japanese domination in the so-called occupied areas.

The Generalissimo said that cognizant of their sufferings he had never for one minute forgotten his mission as their deliverer, but added: "You should also help yourselves to save yourselves. You should also rise in a common struggle with the nation's armed forces and civilians."

Through the heroic resistance offered by the masses in the zones of hostilities, Generalissimo Chiang noted with gratification the effectiveness of China's all-front warfare, the increasing expansion and strengthening of the guerrilla bases, and the turning of the Japanese rear into the Chinese front-line.

"During the past year", the Generalissimo said, "the actions and dispositions of our men behind the Japanese lines have been closely coordinated with our all-front resistance strategy. On the vast front we have effected a huge steel ring around the enemy, from which we may attack them from four sides, keeping the enemy busy everywhere."

As a result, the Generalissimo pointed out, the Japanese have not only failed to make any advance but also suffered heavy casualties. All these are the fruits of labor contributed by the masses in the war zones. "If you further redouble your efforts we shall unquestionably deal a death blow on the enemy, transform the 'occupied' areas into so many big and small bombs which will explode inside the enemy's stomach."

The Generalissimo warned that the Japanese are bound to make a last desperate bet through firstly, the adoption of political

-2-

aggression and spiritual invasion and secondly, the inauguration of so-called rehabilitation and development by military and economic means in order to use the Chinese resources and manpower in the "occupied" areas to keep up the war of aggression.

In order to frustrate the Japanese diabolical scheme, the Generalissimo stated: "We should not only emphasize counter-mopping-up campaigns militarily but should also further stress the counter-development and counter-rehabilitation policy economically."

To accomplish the aforementioned object the Generalissimo offered four guiding principles.

Firstly, Generalissimo Chiang said, "we must unfold counter-mopping-up warfare in the war areas so as incessantly to engage, encompass, attack and exhaust the Japanese strength and Japanese arms, disrupt Japanese communications and destroy Japanese reconstruction projects. We will also wear out the enemy that the size of the 'occupied' areas will daily be reduced, our guerrilla bases daily expanded and fortified. We will also unfold guerrilla fighting over a wide front to suck in a large number of Japanese troops."

Secondly, the Generalissimo said, the people must destroy all Japanese reconstruction and development projects, encourage the masses to refuse to pay taxes to the Japanese, boycott Japanese military scrip and bogus banknotes, boycott Japanese goods, refrain from supplying foodstuffs and labor to the Japanese. Meantime they should practice thrift, increase production, nurse the military strength for prolonged resistance, the strength of the Chinese governments and political regimes in the war zones, and raid Japanese properties anytime and anywhere.

"Thirdly", the Generalissimo stated, "we should enforce spiritual mobilization, and eradicate traitors."

"Fourthly, we should intensify the dissolution of the Japanese armies and the defections among Japanese-employed mercenary troops,

reject

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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-

reject false friendly Japanese overtures. We should make the Japanese troops understand that aggression is suicidal while the anti-war movement is the only way to their self-salvation. We should make the mercenaries realize that they are only the tools of the Japanese and that they should themselves realize what the Japanese mean is exactly the opposite of what they say. Hence they should practice non-cooperation."

In conclusion the Generalissimo assured the war zone inhabitants that they will be completely liberated in the not-distant future and urged them to carry on the struggle until the day of their emancipation arrives.

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

DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

August 1, 1939.

Canton's despatch no. 68 of July 15, amplifying a telegram, reports as follows on significant aspects of the Japanese occupation of the Canton area:

The Consul General was informed by his Japanese colleague that Japanese military operations in South China were primarily designed to cut off communications with Chungking; that the Japanese military were not concerned with local rehabilitation work; and that it was not intended to keep any South China port closed longer than military necessity required. The Consul General feels that these statements, together with the demonstrated Japanese abstention, in South China, from (1) unnecessary friction with foreigners, (2) interference with local Chinese currencies, (3) creation of permanent governments, (4) rehabilitation work, indicate that Japan has no definite intention of permanent military and economic domination of the area (with the possible exception of Hainan) and is likely to offer withdrawal from South China for a suitable quid pro quo in North and Central China.

Of more than ordinary significance, the despatch is particularly interesting in that it would seem to provide grounds for belief that the very recent complete closure of the Pearl River by the Japanese must be either a deliberate move against Britain or proof that the Japanese are meeting strong guerrilla opposition in the delta area.

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FE:Chase:JPS

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

AIR MAIL

No. 68

American Consulate General,
Canton, China, July 15, 1939.

SUBJECT: Certain Aspects of Japanese Occupation
of this Area.

CONFIDENTIAL

The Honorable
The Secretary of State,
Washington.

For Distribution Check		Yes	No
For	V. G.		
Meyers		ONI	HID

Sir:

Referring to my despatch no. 66, of July 13, 1939,

Under the subject "Representations in regard to restric-
tions on shipment of silk waste from Canton; closure of
Pearl River to commercial shipping", I have the honor to
report further in regard to my interview with the Japanese
Consul General on July 12.

During the conversation mentioned above my Colleague
emphasized the military character of the occupation of
South China, having stated that in the area from Foochow
southward military considerations were always the deter-
mining factor but that in respect of North and Central
China that was not always the case. He stated that Jap-
anese military operations in South China were primarily
designed to cut off communications with Chungking and that
the Japanese military were not concerned with local rehabili-
tation work. In this general connection he expressed the
view that it was not the intention to keep any South China
port closed longer than military necessity required, and
mentioned the recent reopening of Hoihow and the possible
reopening of Swatow in the not distant future. Apparently

ASSISTANT SECRETARY
OF STATE
OCT 30 1939
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- 2 -

some officers, particularly those concerned with local affairs, favor the immediate reopening of the Pearl River, but that question, it seems, rests with higher military authorities.

There are certain aspects of the Japanese occupation of South China which appear to differentiate it from Japanese occupation of North and Central China. In the first place, it appears to have been the policy of the Japanese authorities from the outset to avoid unnecessary friction with foreigners at Canton and in general foreigners and foreign interests have fared quite well. Secondly, although Japanese currency (chiefly military notes) has been introduced and has been made legal tender for the payment of taxes, et cetera, there has been no indication to date of an intention to interfere with the circulation of local Chinese currencies (Canton and National currencies). Thirdly, there has apparently been no attempt to supplant the stop-gap Peace Maintenance Commissions by a more permanent form of government either for Canton or for the occupied area as a whole. (It may be mentioned, however, that several recent reports in regard to conditions in Hainan, although not entirely clear, might be taken to indicate the contrary). Fourthly, there has been no indication of any efforts on the part of the Japanese to engage in rehabilitation work other than that immediately useful to them. My Japanese Colleague's statement, mentioned above, would tend to confirm the last conclusion.

In the light of the above, it might be inferred that the Japanese regard their occupation of South China as a military

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

- 3 -

military measure designed solely or primarily for the overthrow of the Nationalist Government, and that there is lacking any definite design or intention permanently to occupy this region militarily or to establish Japanese economic predominance in this area. It is possible that the Japanese may have designs for a more permanent occupation of Hainan Island than of the mainland, and that if and when the opportunity arises they might endeavor to obtain certain concessions at or near Canton, such as, for instance, the establishment of a free port at Whampoo and the setting apart in that vicinity of an area for Japanese residence.

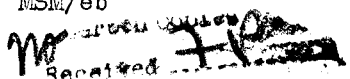
It is realized that the situation is in a state of flux and that it is not possible to predict even what the next turn of events might be. However, indications are that the Japanese at least lack a definite policy in regard to South China and, it is suggested, the Japanese may be prepared to offer withdrawal from South China for what they would consider to be a suitable quid pro quo in North and Central China, for which areas they apparently have plans of great potential economic importance. It is possible, I venture to add, that some such offer might have been made during recent Japanese conversations with Wang Ching-wei.

Respectfully yours,


 M. S. Myers,
 American Consul General.

Original and four copies to Department (Original by airmail).
 1 copy to Embassy, Chungking
 1 copy to Embassy, Peiping.

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 MSM/eb


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

7/31

~~M.D.G.~~

To note that
sailors ashore in
Swatow have been
withdrawn. I've
seen nothing from
Young on this
J.P.

745
DECLASSIFIED: E.O. 11652, 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

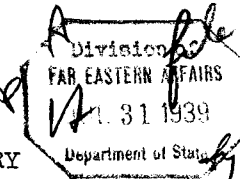
RFP

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

FROM USS PEARY

July 28, 1939

Rec'd 10:48 a.m., 29th.



ACTION: COMSOPAT

PASSED BY CINCAF TO OPNAV FOR INFORMATION

79394

0027. By mutual agreement all concerned the signal watch at the mission at Kakchio withdrawn. Based on personal observations and conversations of foreign consuls and others local conditions are quiet and unchanged with no apparent reconstruction in progress. Business almost at standstill. Japanese desirous of pleasant relations with United States. Discussion with British commanding officer indicates friction in Anglo-Japanese dealings. HUNAN in port 24th with mail but no cargo. Fighting rumored Chaochowfu area. Former employee Socony Company reports area recaptured by Japanese. Five planes with bombs making flights twice daily from base here northward. Hospital ship SEATTLE MARU disembarked about 200 troops and embarked 150 apparently minor casualties. Tenedos relieved Dainty. 1320.

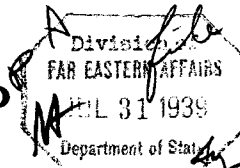
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AUG 2 - 1939

FILED

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

TELEGRAM RECEIVED



ML

FROM: This message was sent in
Navy restricted code.

FROM: USS PILLSBURY

ACTION: COMSOPAT

July 29, 1939

PASSED TO OPNAV FOR INFORMATION
BY CINCAF

Rec'd 3:40 p.m.

793.94
0026. One transport unloaded about 1000 troops also
number of light artillery. Took aboard few hundred soldiers
then left. Last night hospital ship embarked wounded and
departed early this morning. Fighting still reported in and
near Chaochowfu. Lines communication Swatow broken. At
least once. Local Japanese-controlled papers are publishing
various items regarding the weakness of the Chinese currency
and the withdrawal of British support etc to destroy the
Chinese morale also warning that entire villages would be
held responsible for casualties. It is rumored that many
natives were shot in the Tinghai area for the death of two
soldiers. Passengers on Kalgan from Shanghai yesterday taken
in from outside by dainty but were not permitted to land until
radio verification of letters from Japanese authorities at
port of embarkation. These are the first ones landed from
the North to date. Apparently no prospect improvement ship-
ping situation. 0745

EMB

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

TELEGRAM RECEIVED

DIVISION OF FOREIGN
SERVICE ADMINISTRATION

FROM

1939
DEPARTMENT OF STATE

JR

PLAIN

Chungking via N. R.

Dated August 1, 1939

Rec'd 7:45 a.m.

Secretary of State,

Washington.

481, August 1, 1 p.m.

According to reports thus far gathered by the Embassy no (repeat no) American casualties or property damages were sustained in consequence of the Japanese aerial attack on Chungking on the evening of July 31. Casualties and property damage in the city appears to have been slight.

Repeated to Peiping and Shanghai. Shanghai mail to Tokyo.

JOHNSON

DDM

FILED
AUG 7 - 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

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT Japanese air raids; activities of Japanese naval vessels,
during April, 1939.

For the original paper from which reference is taken

See #105
(Despatch, telegram, instruction, letter, etc.)

Dated May 9, 1939 From Foochow (Rowe)
To

File No. 893.00 P.R. Foochow/135

U. S. GOVERNMENT PRINTING OFFICE 1-1540

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793.94/ 15268

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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

B. Relations with Other Countries.

1. Japan.

a. Japanese air raids.

793.94
Japanese naval planes conducted more than a dozen air raids on Foochow and other points in northern Fukien during April, intensifying their activity during the latter part of the month. It has been impossible to obtain accurate figures concerning losses, but estimates of property damage vary from Yuan \$500,000 to \$700,000, and casualties are reported to have been around 400. Practically all important provincial and municipal government offices in Foochow have been destroyed by bombs and resultant fires, and a large part of the business center in Nant'ai is in ruins.

Almost daily air alarms and the frequent air raids caused a large part of the population to follow the reiterated advice of the authorities and leave for Nant'ai Island and the surrounding villages. By the end of the month all middle schools had been moved into the interior, and the principal government offices had been transferred to Nanping (Yenping) (延平).

b. Activities of Japanese naval vessels.

Japanese warships continued their activity along the coast of northern Fukien during April, and were especially active during the latter part of the month. Numerous Chinese junks were plundered and burnt, and in many cases their occupants were machine-gunned.

Launch parties from the naval vessels burnt a number of cargo boats loading at Sharp Peak Anchorage,

and

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

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and boarded several foreign merchant ships. The S.S. PROSPER, of Norwegian registry, and the S.S. PIPINA, flying the Greek flag, were confiscated about the middle of the month along with their cargoes and crews, but it was later reported that the PIPINA was released.

At one time eleven Japanese naval vessels were anchored off the mouth of the Min River, a number of them bearing the planes which carried out the air raids in this vicinity.

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict: Japanese air raids; activities of
 Japanese naval vessels, May, 1939.

For the original paper from which reference is taken

See #114
(Despatch, telegram, instruction, letter, etc.)

Dated June 12, 1939 From Foochow (Rowe)
 To _____

File No. 893.00 P.R. Foochow/136

793.94/15269

15269

DECLASSIFIED: E.O. 11652, 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. Japan.

a. Japanese air raids.

79394
 Northern Fukien was subjected to no less than 58 air raids during May, of which 53 were made upon Foochow and vicinity. Other places in the consular district which suffered air attacks were Yungan (the provincial capital), Nanping (where the remaining government offices in Foochow were moved in April), Yungchun, and Putien.

In the first of two raids on Nanping, bombs were dropped very close to the Methodist Episcopal Mission, but inflicted no damage and no Americans were injured. American property was damaged at Putien, as reported above.

It is interesting to note that during the first part of May raids on Foochow were conducted by squadrons of from three to seven planes, while during the latter part of the month a single hydroplane made daily raids upon the city. Larger numbers of planes participated in all attacks on interior cities. The estimated results of all air raids in this consular district during the month are slightly less than 400 casualties and damage amounting to more than Yuan \$1,000,000.

During the air raid on Foochow on May 29, the plane attempted to bomb a crowded passenger launch on the river a short distance above the city. After dropping two bombs near the launch, it descended to the river and, taxiing alongside the boat, ruthlessly

machine-

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machine-gunned the passengers. Latest reliable reports on casualties indicate that more than 50 were killed and approximately 80 wounded.

b. Activities of Japanese naval vessels.

With the exception of only two days, at least one Japanese naval vessel was anchored off Matsui Island, near the mouth of the Min River, throughout the month of May. At one time as many as five warships were reported near Sharp Peak. About the middle of May, two Japanese armed trawlers made their appearance and frequently penetrated into the harbor quite close to the barrier, thereby disrupting all shipping activities. A few days later they brought all shipping to a standstill by the almost constant presence of one or the other of the trawlers. On several occasions they fired upon the Chinese launches and lighters which came within the range of the three-pounder gun which they carried aboard, causing a number of deaths and injuries. By the end of the month their tactics had succeeded in effectively closing the port to all shipping.

An emergency meeting of the Foreign Chamber of Commerce was called on the evening of May 22 to consider what measures might be taken to ameliorate the situation at Sharp Peak. At the same time the commander of the British destroyer at Sharp Peak was approaching the Japanese naval authorities on the spot with a view to arriving at some workable solution. The result was the tentative agreement, a copy of which was transmitted with my despatch no. 84 of May 29, 1939. Later, however, the Japanese refused to observe the terms of this

agreement

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

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agreement. Meanwhile the Chinese naval authorities declined to issue permits for the passage of any river craft through the barrier.

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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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Conversation with French Ambassador, regarding
position to be taken by France and U.S.
in regard to negotiations on Tientsin situation.

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For the original paper from which reference is taken

See memorandum Confidential File
(Despatch, telegram, instruction, letter, etc.)

Dated July 21, 1939 From State Department
To H (Welles)

File No. 893.102 Tientsin/403

793.94 / 15270

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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

AC

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

Swatow via N.R.

FROM

Dated August 2,

Rec'd 8:59 p.m., 3rd.

Secretary of State

Washington

48
28, August 2, 6 p.m.

Division of
FAR EASTERN AFFAIRS

4-1939

Department of State

DIVISION OF FOREIGN
SERVICE ADMINISTRATION

DEPARTMENT OF STATE
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note
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Japanese Consul Matsudaira has been replaced by Consul Suyehiko Takai and departed yesterday to resume his duties in Canton. The new consul, who has served recently in Peiping and Tientsin, is assigned permanently to Swatow. During his farewell call yesterday afternoon Matsudaira confirmed reports that Japanese forces occupy only a narrow strip of territory between Swatow and Chaochowfu; that there has been fighting in and around Chaochowfu but that now that city is quiet and completely under the control of the Japanese military forces. He assured me that Leona Le Clair, an American citizen and a member of the French Catholic Mission in Swatow who had gone on leave to Chaochowfu before the occupation, is safe.

There has been trouble in the walled town Ching-hai about ten miles northeast of Swatow but it is now governed by a Japanese sponsored local committee and all Japanese troops have been withdrawn. I have been unable to confirm reports that the Japanese killed

approximately

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AUG 10 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. Quate NARS, Date 12-18-75

- 2 - #38, August 2, 6 p.m. from Swatow

approximately one thousand of the civilian population
in retaliation for claimed guerrilla raids.

Repeated to Chungking, Peiping, Shanghai.

YOUNG

DDM:RR

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

(Confidential)

P A R A P H R A S E

A telegram (no. 38) of August 2, 1939, from the American Consul at Swatow reads substantially as follows:

Suyehiko Takai, who has recently served in Tientsin and Peiping, has been assigned permanently as Japanese Consul at Swatow to replace Matsudaira who left Swatow on August 1 to take up his duties again in Canton. On August 1 Consul Matsudaira paid a farewell call on the American Consul at which time he confirmed reports to the effect that fighting has been going on in and around Chaochowfu although that city is quiet at the present time and is controlled entirely by Japanese military forces. Matsudaira also confirmed reports to the effect that only a narrow strip of territory between Chaochowfu and Swatow is occupied by Japanese troops. He gave assurance in regard to the safety of Leona Le Clair, an American citizen belonging to the French Catholic Mission in Swatow, who had gone to Chaochowfu on leave before that city was occupied by the Japanese.

Although there has been trouble in Chinghai (a walled town about ten miles to the northeast of Swatow) all Japanese troops have been withdrawn and Chinghai is governed at the present time by a local committee under Japanese sponsorship. Reports to the effect that, in retaliation for claimed guerrilla raids, about one thousand civilians

were

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Developments and events at or near Hong Kong, with relation
to Sino-Japanese situation.
Summary for the month of July, 1939.

For the original paper from which reference is taken

See Tel #246; 9am
(Despatch, telegram, instruction, letter, etc.)

Dated August 1, 1939 From Hong Kong (Southard)
To

File No. 846g.00/46

793.94/15272

15272

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

FE

JR

GRAY

Hong Kong via N. R.

Dated August 1, 1939

Rec'd 11:45 a.m.

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Secretary of State,
 Washington.

246, August 1, 9 a.m.

The following is our summary for the month of July.

One. There is definite evidence in Hong Kong markets that Japanese are tightening up blockade on junk and other small water traffic which has heretofore brought into the colony more or less normal supplies of vegetables, fruit, poultry and various food supplies as well as irregular quantities of tung oil and other export products.

Two. During this month the Hong Kong Government has put into effect conscription of British male subjects but excepting from operation of law the considerable number of Chinese who have British nationality.

Three. Air raid defences and practice blackouts in Hong Kong have been given more concentrated attention during July.

Four. Japanese have made several trial attacks on Chungshan not far from Macao and have bombed and shelled the roads between Macao frontier and Shakkai with death

and

8469.00/46

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

-2- #246, August 1, 9 a.m., from Hong Kong.

and injury to many noncombatants. Sound of firing occasionally heard in Hong Kong. This activity is interpreted as prelude to actual landing and occupation of Chungshan.

Five. Pearl River has again been closed to all traffic other than Japanese for probable period of two weeks from July 27th. Hong Kong authorities understand this closing is to facilitate transfer of troops for occupation of Pakhoi and to cover further operations against Chungshan.

Copies of our telegraphic and mail reports to the Department on other and more confidential happenings during the month have been repeated or sent to Chungking and Peiping.

Sent to Peiping, repeated to Canton.

SOUTHARD

WVC: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

CROSS-REFERENCE FILE

NOTE

SUBJECT Termination of the conflict with China;

Believes that Department's reply to the Prime Minister's message regarding collaboration by U.S. and Japan to settle European situation would be interpreted by Japan as an indication that attitude now taken by the American government requires the- as a condition precedent to the betterment by Japan of her relations with the U.S.

193.94 / 15273

For the original paper from which reference is taken

See Tel. #384, 4 p.m.
 (Despatch, telegram, instruction, letter, etc.)

Dated Aug. 3, 1939 From Japan (Dunman)
 To

File No. 740.00/2007

15273

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Report concerning -, for month of May, 1939.

88

For the original paper from which reference is taken

See despatch # 416
(Despatch, telegram, instruction, letter, etc.)

Dated June 12, 1939 From Tsingtao (Sokobin)
To

File No. 893.00 P.R. Tsingtao/131

793.94/15274

15274

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

793.94

3. Japan

A large contingent of Japanese troops was landed in Tsingtao early in May; within a short time it was announced that the Laoshan Mountain region north of Tsingtao had been cleared of guerrillas. Foreign travellers

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

- 7 -

travellers have confirmed the Japanese occupation of that region which is not important as an agricultural or industrial area but rather as a popular summer resort. The principal consideration of the Japanese occupation of Lao shan was to prevent molestation by the guerrillas of the farmers on the plain at the foot of the mountains and to prevent food and supplies from reaching hostile forces further to the north in the Laiyang area. In addition to the landing of troops, it was established that the Japanese forces had carried out frequent bombing expeditions by sea planes based at Tsingtao.

Asia Affairs Board

The Chief of the Tsingtao office of the Asia Affairs Board issued a statement in May on the functions of the Board and its relation to other Japanese official organs in Tsingtao. The statement was stereotyped in its phraseology and referred to the formulation of policies by the powers which if adapted to the "new conditions" would result in Japan's cooperation; to the exploitation of China's natural resources and the establishment of new industries in such a way as to release China from its "fetters of quasi-colonial conditions in its economic life"; and to the respect of the rights of Third Powers which unavoidably would entail restrictions in spheres having a vital bearing on the maintenance of national defense and (Japan's) economic independence.* Stereotyped as may be the

phraseology

*Tsingtao's despatch no. 409 of May 15, 1939, file 800, subject: Asia Affairs Board Policy in Tsingtao.

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

TELEGRAM RECEIVED

JR

GRAY

FROM Canton via N. R.

Dated August 3, 1939

Rec'd 9:17 p.m.

Secretary of State
 Washington.

Division of
 FAR EASTERN AFFAIRS
 AUG 4 1939
 Department of State

August 3, 4 p.m.

During the month hostilities occurred throughout the perimeter of the occupied area of Kwangtung Province. During the middle part of July Japanese forces failed in several attempts to invade Chungshan district. Beginning July 27 the Pearl River was declared closed, for military reasons, to all third power vessels. As the month ended Japanese forces, under cover of heavy bombardments by warships and planes, were again trying to occupy Chungshan district. It was thought that the closing of the river and the arrival of Japanese reinforcements might also be forerunners of Japanese occupation of Pakhoi. Japanese planes were fairly active, bombing several cities in Kwangsi and cooperating with the land forces in Kwangtung.

On July 17 a Hainan Provisional Government was inaugurated at Hoihow.

Japanese

793.94/15275

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FILED
 AUG 10 1939

-2- August 3, 4 p.m., from Canton.

Japanese planes bombed Standard Vacuum Oil Company property at Nanning and American Southern Baptist Mission buildings at Wuchow.

Strict search of all Chinese entering and leaving Shameen, which began on July 21 for the alleged purpose of preventing illegal exchange operations, ceased on July 27.

Due to the drop in the value of Chinese currency and other economic conditions a number of Chinese merchants of the upper middle class returned to Canton during July. Robbery and looting in the city decreased but kidnapping increased and the Chairman of the Chinese Chamber of Commerce at Canton was shot and seriously wounded.

Trade in the local currency situation was aggravated during the month when money circulation slackened and shops refused to accept municipal bank notes and certain provincial notes. Canton currency fell sharply, in sympathy with the yuan, but a severe decline in the value of military notes was prevented by punishment of speculators.

On July 15, the Japanese inaugurated a radio telegraph service with Hong Kong and the Chinese Government station on Shameen was closed.

It

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

-3- August 3, 4 p.m., from Canton.

It was announced that limited passenger and freight services would be inaugurated August 1 on the Canton Samishui railway and on the Canton Shektan section of the Canton Kowloon line.

No considerable improvement in trade and industry occurred.

Sent to Peiping.

MYERS

DDM
KLP

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

LEGAL ADVISER

AUG 15 1939

DEPARTMENT OF STATE

TELEGRAM RECEIVED

JR

PLAIN

Chungking via N. R.

FROM Dated August 4, 1939

Rec'd 10:10 a.m.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
AUG 4 - 1939
Department of State

COPIES SENT TO
MAIL AND INFO

489, August 4, 2 p.m.

Japanese planes raided Chungking and environs shortly before midnight on August 2 and shortly after midnight on August 4 with slight loss of life and property damage. American casualties were nil while American property losses were confined to partial destruction through concussion of house rented and occupied as residential quarters by F. Tillman Durdin local American correspondent for the NEW YORK TIMES. Extent of actual losses suffered by Durdin not yet known.

Repeated to Peiping, Hankow, Shanghai. Shanghai please air mail to Tokyo.

JOHNSON

RR

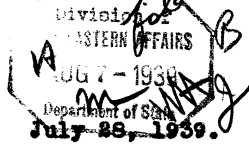
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AUG 15 1939

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



Dear Mr. Hart:

I greatly appreciate your thoughtful courtesy in giving me with your letter of June 6 a copy of your letter to Mr. Durrell of June 5 on the situation in China.

I have found the account of your observations and reactions very interesting and helpful.

I trust that I may have the pleasure of seeing you soon.

With kindest regards and best wishes,
 I am

Yours sincerely,

STANLEY K. HORNBECK

Mr. Boies C. Hart,
 Vice President,
 National City Bank of New York,
 New York, New York.

SKH:ZMK *m. miff*

793.94/15277

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

41 KIUKIANG ROAD
SHANGHAI

Division of
FAR EASTERN AFFAIRS
AUG 9 - 1939
Department of State
file *SCR* *FE* *m*

June 6th, 1939.

ackd JUL 28 1939
gmc

My dear Dr. Hornbeck.

It occurred to me that you might be interested
in the review of the China situation as I see it, and I am there-
fore enclosing herewith a copy of my letter on that subject.

With kind personal regards, I am

Sincerely yours,

Stanley M. Hornbeck

Honorable Stanley M. Hornbeck,
Department of State,
Washington, D.C.

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AUG 10 1939

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

Form 5
UPSA 20M 5-39

N. C. B. Shanghai.

June 5th, 1939.

"CLIPPER"

BCH

PRIVATE AND
CONFIDENTIAL

Mr. J. H. Durrell, Senior Vice President,
The National City Bank of New York,
55 Wall Street,
NEW YORK, N.Y.

CHINA SITUATION

Dear Mr. Durrell:

I had anticipated that I would find Hongkong and Shanghai to be ghost cities with the Japanese strangling the life blood out of them. Consequently, I was tremendously impressed to find both places teeming hives of industry and, on the surface at least, no signs of war or blockade. Naturally, the large influx of war refugees in both cities has added to the activity of the streets, but there is a background of commercial activity that is amazing. Cargo moves in and out of Hongkong at probably 60% of the pre-war basis. How it comes and goes is a mystery, but no one can excel the adroit Chinese in finding ways and means of doing business.

In Shanghai the International Settlement (except the Japanese occupied portion) is witnessing a tremendous industrial growth. The power load shows an increase since 1936 of 35% to industries using less than 100 H.P. and there has been a large increase over pre-war figures on the total power load, after making allowance for the power that was formerly sold outside of the Settlement. All of this activity is Chinese not Japanese. The portion of the Settlement occupied by the Japanese and the former Chinese city are morgues. While Shanghai itself consumes a large portion of the industrial production, nevertheless, just like Hongkong, there is a mysterious and continual movement of goods to the interior. Although the Chinese are skilful at finding gaps in the blockade, they are even more skilful in corrupting the Japanese military and passing their goods both in and out of the interior by bribery of the invaders. Judging by all reports there is wholesale corruption among the Japanese officers and they are the ones that are getting most of the revenue from opium sales and all forms of regulation of commercial activity.

I cannot find that the Japanese are benefitting very materially from export cargo other than what they found in warehouses at the time of their occupation. One hears occasionally of the movement of some new crop commodities but the Japanese are getting very little joy out of the small amount they are getting. I heard of three different purchases of raw cotton made in Hankow, and in each case after the Japanese had bought and paid for the cotton it burned up. Along the Yangtze it appears that a group

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

THE NATIONAL CITY BANK OF NEW YORK
 SHANGHAI

AIR MAIL LETTER

SHEET No. 2.

of Japanese military officers are enforcing for their own personal benefit a monopoly on the outgoing cargo space and even the Chinese have shipped some export cargo on the Japanese boats by negotiating with the military.

As an example of how little export produce the Japanese are getting, it is significant that in North China while the army is exporting some cotton to Japan the Japanese mills in Tientsin are forced to import all of their raw cotton from India, and it also illustrates the cock-eyed features of this war when one learns that a large part of the production of the Japanese mills in Tientsin is sold in Indo-China where it goes back directly into the interior of China.

I have talked with scores of important Chinese, representing both the old-school commercial and banking group and also the new deal modern Chinese, and I have yet to find any vestige or sign of a crack in their morale. All are absolutely positive that China will fight until the Japanese are worn out. From their point of view there is no other solution. They have lost everything but their lives, and lives are the cheapest and most plentiful commodity in China. This last determination has surprised all of the old China hands and they are all now convinced, contrary to their previous firm convictions, that the Chinese will carry on. Probably one very important element in the unity of the Chinese is the women of China. While in Japan a woman is little better than a slave at any time in her life, in China once she is married and has children she exerts a matriarchal influence that is all powerful, and in treating the women fiendishly as the Japanese have, they have aroused an implacable hatred that might well be the deciding element in the war.

I find one great difference of opinion between the Chinese and the foreign business men on the conclusion of the war. The foreigners can see no sign of peace and generally believe that the war will continue indefinitely. All of the Chinese that I have talked to seem confident that the war will enter its last stages in 1940. The Chinese do not seem to be optimistic that Japan will break down financially (they originally had that idea but have given it up) but they do feel that some form of outside pressure will be exerted to bring about a settlement, particularly if no war breaks out in Europe. This attitude is inconsistent with their unanimous opinion that China will keep on fighting as long as there is a Japanese in China. It stands to reason that if the war comes to an end through outside influence that some compromise will have to be arranged, and it is my personal opinion, as it has been since the war started, that in the end Japan will end up with direct or some effective indirect control over North China down to the Yellow River, including Tsingtao.

China's greatest weakness as I see it now is in her currency situation. The Chinese National currency is bearing all of the import cost along the China coast (with the exception of what little link business is being done in North China). On the other hand, most of the export exchange goes to the direct benefit of the Japanese and I venture to say that the invaders are directly or indirectly benefiting by most of the imports that the Chinese currency is paying for. From all reports the Chinese \$50,000,000 stabilization fund has been pretty well used up and now that England has started a policy of assisting China in supporting her currency she will have to continue to pour sand down that rat hole. Theoretically, the stabilization fund must be prepared to sell exchange up to the extent of the Chinese circulation. The Lord only knows what the circulation is -- the last published figures showed something like Local \$2 billion -- but undoubtedly it is twice that amount now and many authoritative sources say it is three times that amount. This extra circulation is

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

THE NATIONAL CITY BANK OF NEW YORK
 SHANGHAI

AIR MAIL LETTER

SHEET NO. 3.

largely in the interior and the authorities are making every effort to isolate Hong-kong and Shanghai from an influx of the interior circulation which is as impractical as the Japanese have found a goods blockade to be. Personally, I feel that the authorities are all wet in their efforts to kill the circulation of the new currencies circulated by the puppet government banks. If those currencies were allowed to circulate and efforts were concentrated on pushing the new notes back at the issuing banks for foreign exchange, the National currency would be relieved of some of the import burden. Further, I think it is inevitable that the new currencies will eventually be incorporated in the Chinese currency. In the North tremendous amounts of the F.R.B. currency are reported to be held by the Chinese Customs, which are operated by the Japanese, in the same way the new notes in Central China will get into the Customs fund and as and when those Customs funds are available for use by the Chinese we will see an insistent demand that they be included in the currency as the English bondholders who depend on the Customs fund for service on the loans they hold will be the first to demand it.

Although as I said I think it is a weakening policy to obstruct the circulation of the puppet government currency, I agreed with T.V. Soong that we would not handle any transactions in the currency for a period of three months. I could not see that there was going to be any great pressure from our customers for that length of time (the puppet bank in Shanghai (Hongkew) has been open almost a month and according to their own report only about \$250,000 of their currency is in circulation -- the notes have not as yet appeared in the Settlement). The agreement I made is contingent on all British, French and American banks likewise refraining from any negotiations.

The situation as regards the International Settlement in Shanghai is tense, and I believe it will grow increasingly so as the Japanese military strive desperately to achieve something with which to convince their people at home that the war is accomplishing something. There are no more strategic points for the army to capture which can be ballooned into a notable accomplishment. There are no towns left in China to capture that the Japanese ever heard of. Publicity necessity may force the military occupation of the Settlement, but it would seem a foolish expenditure of energy and an assumption of responsibility that would bring no compensating return. Strictly speaking, it would probably be a help to China as the Central Government would then have an excuse to stop meeting the import cost of exchange.

Within a relatively short time the Japanese will probably be in a position to control the Settlement legally without any military manoeuvres. The Municipal Council is elected by the rate (tax) payers. Everyone who pays a tax on Local \$700 per annum of rent is entitled to a vote, but whether his tax is \$10 or a million only one vote is acquired. The Japanese already comprise 35% of the rate payers, and if they start paying rates on all the properties they have acquired in Hongkew they can easily control the election and will no doubt be doing so by 1941 and possibly in 1940.

Until I reach Japan and have some opportunity of getting a cross section on opinions there, I would not venture any prognostication as to how and when an eventual settlement will be reached. Without outside pressure I see no reason why the war should not continue for several years. The biggest obstacle in the way of a settlement is the fanatical hatred that the Japanese army has aroused and on the Japanese side the terrific loss of "face" that the army would have to submit to in any negotiated compromise that the Chinese would accept. I gather that the Japanese navy are

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

THE CITY OF NEW YORK
 MANHATTAN

SHEET NO. 4.

AIR MAIL LETTER

in much better standing with the Chinese, and certainly with the foreigners, than the army, hence it would seem possible that some peace settlement might be worked out if the Japanese emperor would turn the conflict over to the navy to handle. One interesting thing that I have found in talking with all the Chinese is that they are exceedingly suspicious of the British, and state frankly that their greatest fear is that Britain will sell them down the river if it appears advantageous to do so, and I find in talking to the British that they take it as a matter of course that an eventual settlement will find the Japanese in control of North China.

As and when peace finally comes about, the trade possibilities in this area of the world are stupendous -- it is entirely too much for Japan to handle by herself if she wins a complete victory -- and, instead of being pessimistic as to our place in the future picture, I am confident that potentially China will offer us all and more than it has to date. The war has brought commerce and industry to areas of China that were practically untouched territories before. This, plus the fact that the products of 50 years of importation have been destroyed, offer untold possibilities. If our traders are to get their share of this market they must be properly habilitated and that means that they have got to be in a position to offer credit, as credit is the one weapon with which we can meet the low cost advantages of Great Britain, Germany and Japan. As I see it, the most satisfactory way of advancing credit facilities to our traders would be through some form of government credit insurance rather than government financial help. Government financing would be slow and cumbersome and in the last analysis would not benefit American industry and banking as quickly and as effectively as credit insurance. Some credit insurance plan, whereby 75% of the eventual risk was underwritten by the Government, the cost of such insurance being a share of the profits on the sales insured, would, I believe, be the best means of putting our traders on a competitive basis. The United States Government must eventually do a lot of loaning for currency stabilization, but commercial long term credit should be confined to projects that are in themselves self liquidating and can be most effectively and properly handled by experienced traders on the ground who can work in cooperation and partnership with Chinese bankers and industrialists to see that credit is given where it will do the most good and be most likely paid back.

Herein I have only covered the general features of the China situation as I see it. I will be writing you separately on the particular problems with which we are confronted in our business.

Sincerely yours,

Vice President

Copy sent
 to Secy.

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

CHINA INFORMATION SERVICE

HELEN M. LOOMIS, SECRETARY

RECEIVED
DEPARTMENT OF STATE

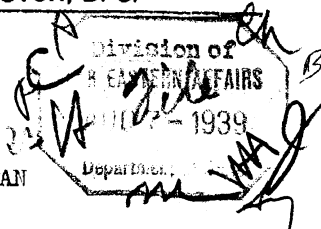
945 PENNSYLVANIA AVENUE, NORTHWEST - WASHINGTON, D. C.

1939 AUG 4 PM 1 19

Issue 27, July 31, 1939.

793.94
DIVISION OF
COMMUNICATIONS
AND RECORDS

ABROGATION OF THE TREATY OF 1911 WITH JAPAN
PREPARES WAY FOR NON-PARTICIPATION



On July 26 the State Department notified the Japanese government that this country is abrogating the American-Japanese treaty of commerce and navigation signed in 1911. Six months' notice is required for abrogation of this pact. This action came as a surprise. Earlier the same day the Senate Committee on Foreign Relations gave consideration to but took no action on a resolution by Senator Vandenburg to abrogate the treaty.

Our government's action is in line with the opinion of American people, and clears the way for an embargo on American war supplies to Japan when Congress convenes for another session. All of us who have been concerned over our country's participation in Japan's aggression in China should express our appreciation of the step which has been taken. This action was made possible by our expression of opinion and by that of our friends. However, we must realize that this is just the beginning of activity to end our part in this shameful affair. There will be psychological and moral results for good from the abrogation of this treaty--but as yet nothing has been done to stop the shipment of American war supplies to Japan. We must continue to work toward that end.

We have protested against Japanese interference in American interests and rights in the Far East. We have yet to end our SUPPORT of Japan's interference with Chinese interests and rights in China.

WHAT CAN WE DO NOW?

1. Write to the President and Secretary of State expressing your appreciation of the action which has been taken, but urging further action to stop the supply of war materials to Japan.
2. Whenever the issue arises, protest the purchase by this country of gold and silver from Japan.
3. Support special action which may be suggested--regulation of the export of scrap-iron, levying of import duties on materials from Japan.
4. Urge Members of the House and Senate Committees to take action as soon as Congress convenes.

ADVISORY EDITORS: BRANK FULTON, MINISTER, RAINFOOD HOUSE, ST. GEORGE'S CHURCH, NEW YORK CITY
FORMERLY YALE-IN-CHINA: MISS REBECCA W. GRIEST, BOARD OF FOUNDERS, GINLING COLLEGE, LANCASTER, PA.,
FORMERLY GINLING COLLEGE: EMORY LUCCOCK, MINISTER, FIRST PRESBYTERIAN CHURCH, EVANSTON, ILL., FORMERLY
COMMUNITY CHURCH, SHANGHAI: PROF. GORDON POTEAT, CROZIER THEOLOGICAL SEMINARY, CHESTER, PENNSYLVANIA,
FORMERLY UNIVERSITY OF SHANGHAI. CHINA CORRESPONDENTS GEORGE FITCH, SEC'Y, Y.M.C.A., CHUNGKING,
SZECHUAN: DR. FRANK W. PRICE, NANKING THEOLOGICAL SEMINARY, CHENG TU, SZECHUAN

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OCT 10 1939

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

CHINA INFORMATION SERVICE, Issue No. 27, July 31, 1939.

Page 2.

TEXT OF HULL NOTE

Following is the text of the note by Secretary Hull to the Japanese Ambassador, Kensuke Horinouchi, on July 26th, terminating the 1911 treaty of commerce and navigation with Japan:

"During recent years, the Government of the United States has been examining the treaties of commerce and navigation in force between the United States and foreign countries with a view of determining what changes may need to be made toward better serving the purposes for which such treaties are concluded. In the course of this survey, the Government of the United States has come to the conclusion that the treaty of commerce and navigation between the United States and Japan which was signed at Washington on February 21, 1911, contains provisions which need new consideration. Toward preparing the way for such consideration and with a view to better safeguarding and promoting American interests as new developments may require, the Government of the United States, acting in accordance with the procedure prescribed in article 17 of the treaty under reference, gives notice hereby of its desire that this treaty be terminated, and, having thus given notice, will expect the treaty, together with its accompanying protocol, to expire six months from this date.

"Accept, excellency, the renewed assurances of my highest consideration!"

CORDELL HULL

BE PREPARED TO FIGHT PREJUDICE, IGNORANCE AND SHORTSIGHTEDNESS

Newspapers on July 30 carried an Associated Press story and chart to show that U. S. investments and trade are greater in Japan than in China. This is exactly the sort of "information" we who protest the present participation of the U. S. in Japanese aggression are compelled to face and combat. The figures given are for 1936, a pre-war year in which Japan was definitely preparing for war. Figures are figures but they do not tell the whole story. Reports have come to the effect that for a number of years some Pacific Coast shippers who found they could not make profits using American ships have yielded to a practice, against the law, of giving the business to Japanese ships on the condition that goods be consigned to Japan--the rest of the journey to China to be arranged by the Japanese. Such goods have been included during these years in "exports to Japan." Another factor is that some 90% of the goods now shipped to Japan is war material. In 1936 the situation was not much different. Another consideration is that brought out in the address by C. H. French, Vice President of the Chinese-American Foreign Trade Council, at the last annual meeting of the U. S. Chamber of Commerce (see CIS, Issue 26, pages 1-3). "The value of our exports to China (including Hongkong and Kwangtung) average \$75,000,000 a year... examine the question from every possible angle.... I am convinced that the industrialization of China on a war with Japan as planned by the Chinese, will, within the next generation, operate to give to the United States thereafter a steady export trade with China to the value of \$750,000,000 per annum, to say nothing of the enormous quantities of capital goods which will be required of us in the meantime while the intensive construction program is in progress." "The value of our exports (to Japan).. averaged \$172,000,000. . . I believe that our peace-time export trade with Japan has reached its zenith and that shortly hereafter the tendency will be downward until we arrive at a more or less stabilized level of \$150,000,000 per annum.

SHALL U. S. TRADE POLICY BE SHORTSIGHTED FOR THE IMMEDIATE GAIN OF A FEW.
THE AMERICAN PEOPLE (GALLUP POLL) SAY NO.

0495

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

CHINA INFORMATION SERVICE, Issue No. 27, July 31, 1939.

Page 3.

JAPANESE MILITARISTS ARREST CHRISTIAN LEADERS IN OCCUPIED TERRITORY

The following letter is from a missionary in a city of one of the occupied provinces. It tells the tragic story of the arrest and imprisonment of a large group of Chinese Christian leaders, a story that is being duplicated in many other places. The names of the city, the missionary and the Chinese leaders are omitted below, but the account is absolutely authentic. - - Frank W. Price.

"We cannot write of our trouble in letters that have to be mailed here for letters are strictly censored. I will send a copy of this by a friend going out hoping it will reach you.

"Pastor---was arrested on May 11 and is still in prison. On May 5 the blow fell. Before that a coolie from --- had been arrested; he was not regularly in mission employ but had been used to carry letters through the country field. We thought he was held because he came from a place closely linked with the guerillas. Mr.--- went to the police station but was not able to see the boy. He was terribly tortured, beaten and burned, and he made many statements under torture about the church leaders. The plan of trial is to make a charge against a person and beat and torture him until he will confess that the statement charged against him is true. He gave under torture a long list of Christians who he claimed were in a plot against the authorities. Of course not a word was true but that is all the evidence the police needed. On May 5 they arrested ---, the son of our preacher, and brother of the hospital evangelist. They tried to arrest the evangelist but he was not at home, so they got his wife. The next morning he gave himself up and asked that his wife be freed. She was kept in prison 29 days and has just been released.

"On May 7 at 3 a.m. the police went to the homes of Pastors --- and ---, Elders --- and ---, and arrested them. Elder ---'s son was also taken. Pastor ---, Dr. --- and we missionaries did all that we knew to do, our men went to see the higher officials, we bore witness to the fact of the innocence of the arrested men, but it did no good. On Thursday Pastor --- was taken, a few days later they sent for the two hospital doctors but they had already gone to the country. Altogether over twenty have been arrested and imprisoned.

"The strain has been terrible for nobody knows who will be taken next. We think now that this attack was caused by jealousy. The churches have been a great blessing to the people all through the field, thousands have been saved in refugee camps and church attendance has been larger than ever before. We think the enemy are trying to break the prestige of the church. The police have been going to the homes of the people all over the city asking, "Are you a Christian?" It scares the people for they think if they answer "Yes" they may be arrested also. In other places there have been similar experiences but not so severe. In the station east of us Pastor --- and two elders were taken.

"The men have been without doubt beaten and tortured. We heard this from many different sources. We tried again and again to see them, but this has not been allowed. We have tried to send them clothes and other things but without success.

"The case seems to be at a stand-still now. Everything we know to do has been done, so we must wait and see what the authorities will do. The country Christians have been meeting daily for prayer, and in many places in the city daily meetings have been held. While our hearts have been almost broken as we think of our beloved friends enduring such suffering yet we know that God will be with them in a special way. We pray that they may soon be released."

June 11, 1939.

THE TRUTH ABOUT THE CHENG TU RAID

June 11, 1939

THE DEADLY PARALLEL

From LETTERS of JAPANESE CONSUL-GENERAL to AMERICAN CONSUL-GENERAL AT SHANGHAI REGARDING THE BOMBING OF CHENG TU, June 11, 1939.

"The main objective of their (the Japanese bombers') attack were the headquarters of the 28th Army and the offices of the Provincial Government, and they were satisfied to note that most of the bombs fell directly on or very close to the objectives.

"However, one of the bombs, unfortunately went astray and hit a building situated in the central part of West China Union University by mistake.

"...On approaching the town, the air units were met by a number of Chinese pursuit planes and also by barrages of fierce anti-aircraft fires, thus obliging them to carry on the bombardment at the same time dodging shell fire on the one hand and fighting with the Chinese planes on the other."

"...In view of the fact that the region subject to aerial bombardment usually extends along the course of the flight, they (the Japanese planes) chose such a course along which it would be least probable that any of the bombs would fall in the premises of the University."

From REPORTS of BRITISH and AMERICAN EYEWITNESSES and VICTIMS OF BOMBING

Neither of the objectives mentioned was either hit or in any way damaged. The nearest bomb was 400 meters distant (438 yards)

At least four bombs went sufficiently "astray" to hit or damage the campus. That two of these were duds can hardly be considered intentional. Moreover, at least ten more bombs fell outside the city and in the vicinity of the University.

A considerable number of British and Americans who watched the Japanese fly in and over were utterly unaware of any anti-aircraft fire until after the bombing. Nor were the raiders attacked until after they had loosed their bombs. Reference to their "dodging" does not do justice to the unbroken formation the Japanese planes maintained while over the city.

Whatever the original plan, the word of eyewitnesses and the evidence of bomb craters prove that the line of flight was directly over the campus. The campus was not on the fringe of a nearby area but an integral part of the area bombed.

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

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EXCERPTS FROM LETTERS WRITTEN JUST AFTER THE BOMBING OF CHENG TU

LEWIS S. C. SMYTHE (University of Nanking)I checked up on the work of our Chengtu International Relief Committee that we had organized in May. Some funds had been raised locally but the money from the American Church Committee for China Relief we had been promised from Chungking had not arrived yet! In other words, American war supplies sold to the Japanese reached here first in the form of deadly bombers and bombs. The same was true in Chungking in the raids of May 3 and 4. Millions were subscribed instantly at the time of the Tokyo earthquake, but funds to relieve the Chinese suffering - partly caused by war supplies we sell Japan rather than by "an act of God" - are painfully slow in coming.

Well, it is the old story I wrote about in September, 1937, running an ambulance to the foot of the cliff instead of building a fence at the top of the cliff to keep people from falling over. We collect millions from Japan's aggression in China and then send a few dollars to save our consciences and patch up a few of the mangled bodies. Instead, we should say, "We will have no part in Japanese aggression. We will send no more war supplies to such an aggressor nation. We will loan them no more money for carrying on this bloody war. Rather, we will loan funds to China to help her defend herself."

Is it any wonder that a Chinese student who used to be head of the young peoples' society in the Drum Tower church in Nanking came to me one Sunday afternoon here recently and said, "How can I answer the charges of non-Christians that Christ is the 'front' given to aggression by foreign nations in China?" In other words, Christians and missionaries talk about love and peace, but their brethren at home profit on Japanese aggression.

.....As I passed cave after cave (for protection in time of air raids) in my recent visit to Chungking and heard of the cave cities in the Northwest, I again wondered if we were returning to the cave age! The kind of civilization we are building is only safe for human beings who live in caves -- above the level of poison gases! There is no use in whining about it; let's get busy and build a different and better world.

.....The picture is not all dark....As one distinguished visitor from America remarked: "It is a race between destruction and construction. While the Japanese destroy by the yards the Chinese build by miles." Two years ago when he passed through Japan they said, "The Chinese will never fight." When he came through two months ago, the Japanese said, "We don't believe the Chinese will ever stop fighting!" But given a chance, every Chinese would prefer to continue building a better country rather than fighting. However such building would be impossible under Japanese domination...."

DRYDEN L. PHELPS - I found Dr. and Mrs. Ih and their year old son and brought them home with me. They had been bombed out in Nanking, Changsha, and here. Their only remark was: "We are so sorry to cause you all this trouble." ...The next morning I went over to the Administration Building. The killed were dumped in a heap, the way we used to have to do with them in France in our haste. The wounded and dying were scattered on straw over the floor. Soon they were all borne to the city hospitals, the floors scrubbed, and Senior examinations begun. One young mother with her little baby at her breast sat beside her husband, lying in a twisted heap. Here on my desk is a piece of scrap-iron from the bomb. It reminds me of the man, and his young wife and baby. The scrap-iron came from America, and was wrought in Japan for the New Day in the Far East.....

THE NANKING POPULATION

EMPLOYMENT, EARNINGS AND EXPENDITURES

A survey conducted by Professor M. S. Bates on behalf
of the Nanking International Relief Committee
Winter-Spring, 1939

Descriptive Summary

In its effort to keep in close touch with the actual economic problem of the common people, the Nanking International Relief Committee carefully visited every fiftieth house number within the city wall. Reports were secured by experienced investigators from 1,706 families, comprising 7,161 persons. The collected data cover age, sex, and family relationships; employment; earnings; expenditures.

Gradually relaxing from the terrible winter of 1937-1938, Nanking has attained a certain low level of economic and social life from which further improvement will be difficult under present military and political conditions and economic policies. Some real advances have been made by the authorities, but the inherent negations are too strong.

The Chinese population within the wall is estimated as nearly 360,000 at the beginning of this year; for the Municipal Area, 500,000. It is tending to increase at the rate of several thousand per month, mostly refugees from the country.

The population shows great deficiency in the productive ages, particularly of men; with corresponding excess of children, aged, and women. Now the men 15 to 49 years are only 22 per cent of the whole population. By the most closely comparable Nanking figures, they were 30 per cent before the war - fully one-third more. In the age-group 20 to 29 years, we find only 65 men to 100 women; whereas in various statistics of pre-war years there were from 126 upward. Now there are only 94 men of vigorous age to 100 families; then there were 130.

The average size of family is 4.2 persons, approximating that of poor sections of the city in normal times. It is below that of the whole population before the war (4.9), and that of the emergency period in 1938 (4.7) when there were many combined families.

An abnormality in family composition is the serious excess of broken families (from which husband or wife is missing), now 17 per cent of all families as against 13 per cent in the best pre-war figures - an increase of three-tenths. Yet more critical is the doubling (16 per cent to 8 per cent) of the families without male head. There are now 14,100 of such families, usually without any adult male.

There has naturally been a big improvement in employment since the paralyzing terror of the early occupation. Yet the present employment rate, 27 per cent of the total population, needs to be increased by one-half to approach normal. Moreover, the current figure is not so good as it seems. Tens of thousands are newly driven into crude labor and meager peddling. Correspondingly, there is relatively little manufacture even on a domestic basis, and professional or skilled tasks of any sort are few.

The employed person makes on the average of \$0.49 per day, about 40 per cent of his reported former earnings. This is equivalent to \$0.55 per family, \$16.50 a

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month for 4.2 persons. Traders are making just about the general average, counting wretched vendors along with moderately flourishing shopkeepers. Ordinary laborers get \$0.26 a day, under \$8 a month. Almost half of all employed persons make less than \$10 monthly; only 4 per cent, above \$30. There is still a vast reservoir of desperately poor persons without work, and inflow from the country continues. Improved earnings are not to be expected without the great change implied by peace and free opportunity.

The inexorable injuries of the war situation would be bad enough. But beyond them are other troubles that keep men poor. It is better not to discuss here the enforced use of military notes, the havoc wrought by opium and heroin, the continual interference with personal liberty and private property; because they are so closely linked with military procedure. They are, however, important bars to economic improvement. Apparently less politico-military and more largely economic in their working, are the general monopolistic and restrictive controls.

Chinese business men are throttled by the monopoly of transportation and the discriminatory use of it to control all wholesale trade. They complain bitterly that they and their people are reduced to the status of coolies and shop-boys for an alien economy. Specifically, they point out monopolies or discriminatory control in such varied lines as the following: coal, salt, banking cotton, metals, cement, lime, electric and water installation. Furthermore, they assert that when a Chinese business is painfully developed after the general experience of burning, looting and confiscation of commercial sites, it is frequently threatened and hampered until it accepts a Japanese partner; who then provides the ever-necessary permits and a measure of security, in exchange for a first claim on returns and a managerial voice that can summon bayonets at will. Under such conditions there cannot be much revival of Chinese commercial and industrial enterprise.

One-fifth of all employed persons are women. Of these 20,000 women now employed, only 1,800 were working before the war. The average daily wage for women is now \$0.18 or \$5.40 per month. Comparatively few are servants with the extra benefits secured thereby; a majority are general laborers and helpers in domestic industries or shops.

One-sixth of all families have no current earnings; an additional 24 per cent make less than \$10 monthly; 36 percent between \$10 and \$20; 14 percent, \$20-\$30; only 9 percent above \$30. The same population before the war showed one-seventh with no current earnings (i.e. none by people now alive and in Nanking); an additional 7 percent with less than \$10 monthly; 26 percent, \$10-\$20; 25 percent, \$20-\$30; 23 percent above \$30. The fall even for this remnant population is disastrous.

For 22 percent of all families, life is maintained on an expenditure of less than \$10 per month; for 53 percent, on \$10-\$20; for 18 percent, on \$20-\$30; for only 6-7 percent above \$30. Thus three-fourths of all families run below \$30 both in earnings and in expenditures, with earnings tending to lag far behind expenditures in the general record. 52 percent of all families report themselves as partly or wholly unable to live upon current earnings, which they supplement by "borrowing" and use of "savings" (both of doubtful character in many cases), and by receipts of relief; rarely by rent, remittances, and sales of personality. This situation may be compared with the composite estimate made in October last by thirty selected persons, that 44 percent of their acquaintances could not get through the winter without help. By mid-spring, the International Relief Committee alone had given some small measure of aid to over 130,000 persons, a third of the city's population; and the Municipality had also done widespread relief work, besides the efforts of other private agen-

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cies. The situation is greatly worsened since the winter investigation, by increases of 25-35 percent in the price of rice, and other important foods.

Only 14 percent of all families live in owned quarters, and an additional 43 percent dwell by the sufferance of others without paying rent. The remaining 43 percent average less than \$2 per month for family rent. Houses are generally in bad condition, and owners cannot rent for enough to provide minimum repairs.

The average monthly expenditure per family is \$16.62 (compare the \$16.50 independently reported for current earnings); under \$4 per capita. For the average family, \$11.15 went for food, 67 percent of the total; and another 9 percent for fuel, devoted almost entirely to cooking. Compare the frequent 40 percent for foods in the charity budgets of western countries. The Nanking families used only 2 percent of their expenditures for clothing and 5 percent for rent. Miscellaneous items rated rather high at 17 percent, covering light, water, cigarettes, household equipment, narcotics, besides luxuries like education, baths, and maintenance of property. The picture of the population as a whole reveals the grinding poverty that requires almost all resources for food, and is similar to survey reports of the poorer groups in other Chinese cities. These averages are a composite of variations not seldom cruel, though the total range is small compared with that of more prosperous days.

RECENT LETTER FROM EMORY W. LUCCOCK TO W. D. MAXWELL,
CITY EDITOR, CHICAGO TRIBUNE

This is a personal letter, but it is concerned with a matter that to my mind is so important that I will appreciate it if you will share it with others concerned.

For a number of years the Chicago Tribune had one of the ablest and most competent newspapermen in the Far East as special correspondent. The man's name was J. B. Powell. In ability and reliability, he ranked along with Steele of the Chicago Daily News, Timperly of the Manchester Guardian, Harris of the Associated Press, and a number of others who were genuinely superior in their ability to keep newspaper readers here in the States well and constructively informed on what has been taking place in China.

When I returned to the States and located here in the Chicago area, I was astonished and disappointed to find a newspaper that pretends to be "great" badly betraying its trust in its accounts of what is going on in the Far East, by having, so far as I can find out, no correspondent in China, and by having as its correspondent in Japan, Mr. Kimpei Sheba, who is well known in the Far East as a puppet spokesman for the present militaristic government in Japan.

It seems to me that with Japan's invasion of China as significant as it is for us here in the United States, your newspaper ought to be doing much better by its readers than it is in this matter of reporting events from that area. If you have enough interest in this to talk with me about it (as the editor of the New York Times asked me to talk with him about Mr. Hallet Abend, their senior correspondent in China, I will be glad to try and find a time and place convenient to us both. One of my American friends in the Far East went so far as to suggest the possibility of a connection between the kind of "news" the Tribune is bringing us from the Far East, and the fact that the Japanese Consulate is renting an entire floor of the Tribune Tower. Whether or not there is any truth in that, the fact that your only Far Eastern correspondent is a Japanese national, strikes me forceably as a serious miscarriage of responsible newspaper ethics. I would like to talk it over with you, and others concerned.

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BREAKING THE CYCLE OF AGGRESSION
Extracts from an address by Dr. P. C. Chang
July 5, 1939 over Station WEVD

It is very well known that the cycle of aggression, that has brought about the unsettled conditions in the world in recent years, started with the invasion of Manchuria by Japan on September 18, 1931. When other powers which should be vitally interested did not feel advised or ready to do anything effective at that time to stop the act of aggression in Manchuria, the wildfire began to spread to other parts of the world. Thus Japan initiated a move which, by its profitable results, decidedly gave impetus to other powers with similar ambitions of aggression.

After Manchuria followed Abyssinia, Austria, Spain, Czecho-slovakia, Memel, Albania, and - perhaps Danzig. Danzig is in the very delicate balance of the forces at play at this very moment. So far the aggressive powers have been able to win wherever and whenever they wish to make a move. Where is Abyssinia now? And where are Austria, Czechoslovakia, Memel, and Albania? Yet we must take courage because China has resisted and is still resisting. The cycle that started with the invasion of China, I am confident to predict, will finally be broken in China.

There is to-day a special urgency why something should be done and very soon. Japan is undertaking to oust all legitimate third power interests out of China and out of the western Pacific and the South Seas. The Tientsin concessions have been blockaded for three weeks and the bombing of American missionary, medical and educational institutions - properties and personnel - is being carried out almost every day. A practical policy should naturally take in cultural economic, and political interests not only as they are but also their potentiality in the future. After all, is it wise and practical for this country to help building up a fanatically militaristic empire on the other side of the Pacific? If Japan were allowed successfully to enslave one-fifth of the human race and to exploit the inexhaustible resources of China, would this country feel at ease in considering the outlook of defense and of commercial competition? I would leave the answer to you, my friends.

China is carrying on. The success of China's resistance concerns all peace-loving peoples in the world, especially the friendly American people who have traditionally maintained the doctrine of the Open Door and upheld the integrity and independence of China. The cycle of aggression in the world must be broken and the strategic point is in China today.

JAPANESE VISITOR

Mrs. Constance T. Gauntlett, internationally known Japanese woman, who is a British citizen, arrives soon on the Tatsuta Maru. Her trip is sponsored "unofficially" by the Foreign Office in Tokyo "to undo some of the harm of some non-English-speaking envoys". However, the reason made public for her trip is her attendance of two meetings in connection with the Pan-Pacific Women's Conference, one in New York and one in New Zealand. She will drive from the West Coast with her son, who accompanies her, to be present at the Pan-Pacific Interim Committee meeting, in preparation for the meeting in January in Auckland, New Zealand. Mrs. Gauntlett's trip includes a short visit in England, but she will spend the greater part of her time between now and December in the United States.

The American giving the information says: "After being cognizant for many months of the terrible massmurdering of the Chinese by the Japanese Militarists, and also having a full knowledge of what Japan intends to do to America when the time is ripe, I cannot keep still and allow even Mrs. Gauntlett to invade my Native Land under false pretenses (as a Britisher and on a so-called mission as 'a good-will envoy') wholly for Japan's best interests."

SUMMARY OF CHINA NEWS

TOKYO PARLEY - With Great Britain's virtual recognition of Japanese "rights" in China on July 25, world attention was focused on the Tokyo parley between British Ambassador Sir Robert Leslie Craigie and Japanese Foreign Minister Hachiro Arita. The announcement that Britain had accepted Japan's demands, with slight variations, came as another Munich shock to the democracies.

The Tokyo agreement came after more than two weeks of Japanese inspired anti-British demonstrations throughout the Japanese invaded sections of China and bitter anti-British demonstrations in Tokyo.

The demonstrations were considered by observers to have been definitely approved, if not fostered, by the Japanese high command. Hugh Byas, writing in the New York Times on July 13, said, "In a well policed country like Japan, where speech is systematically controlled, official acquiescence in such agitation is tantamount to approval." British dignity was not only threatened by the demonstrations, but also by the stripping and slapping of British women in Tientsin, by the placing of blame upon British missionaries for a cholera epidemic in Hankow, and by the barring of British ships from entering the harbor of Swatow -- all Japanese acts.

In the Tokyo accord, Great Britain recognized that "Japanese forces in China have special requirements for the purpose of safeguarding their own security and maintaining public order in the regions under their control and that they have to suppress and remove such causes or acts as will obstruct them or benefit their enemy." This was tantamount to a recognition that a state of war exists, though it protected Japan from having to declare war and thereby cut herself off automatically from American armament supplies. It was, moreover, accepted in Berlin, as well as in Tokyo, as a victory for the aggressors.

If the agreement in Tokyo was designed by Britain to allay anti-British feeling, British diplomats must have felt a bad headache coming on when on the day following the signing of the agreement, Japan decided to block the Canton River, thus making it impossible for British controlled Hong Kong to trade with Canton.

U. S. ABROGATES TREATY - In contrast to British appeasement policy, was the United States' announcement on July 27 of abrogation of the 1911 U. S. Japanese trade amity treaty. The treaty, according to official U. S. notice to Tokyo, will go out of effect six months hence. This was generally interpreted as a preparation for a later embargo of war materials by the U. S. against Japan.

The American decision followed upon the heels of several weeks of bombings and even deaths, as well as personal indignities, perpetrated by the Japanese military in China upon American citizens. The United States had sent formal protests after the killing of two American missionaries, the bombing of American owned institutions in Chungking, the attack on an American warrant officer.

Tokyo was reported "shocked" by the treaty abrogation. But on the day following the announcement Japanese authorities were reported to have sent out orders to all Japanese officials in China to treat Americans and their rights with the utmost respect.

MEANWHILE Mongolians continued to keep Japanese troops busy fighting on the borders of Outer Mongolia. Tension developed over the half Soviet, half Japanese

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island of Sakhalin when Soviet authorities threatened to confiscate Japanese controlled oil fields (which were on the Soviet half of the island) after accusing the Japanese of refusing to abide by union labor regulations. The Japanese yen was revealed to have dropped in exchange value along with the Chinese dollar. Japan's hope has been, according to reports, that the drop in the Chinese dollar will mean acceptance of Japanese currency in Shanghai. David Kung, son of Finance Minister H. H. Kung, reported that the drop in the Chinese dollar has hindered Japan. The Japanese were following "nefarious practices," he said, "to obtain exchange requirements in order to purchase war material abroad by purchasing exchange with Chinese dollars. Therefore, the slump in the Chinese dollar has caused the Japanese heavy losses." Young Kung is head of the China Trust Company in Hong Kong.

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for small contribution to cover postage-- $1\frac{1}{2}$ cents per copy.

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Why the Odds Favor China: Observer Cites Vast Resources and Nationalism

Gerald L. G. Samson Says War With Japan Is One of Economic Endurance

The following article on "Why the Odds Are on China" is by Gerald L. G. Samson, British newspaper correspondent and author. Mr. Samson has passed more than ten years in China and Japan and is now in New York on a visit.

By Gerald L. G. Samson

Is Japan conquering China and how much longer is the present conflict likely to last? These questions I have been asked time and again since arriving in America a few days ago on my way home to England after passing the last five years in the Far East (two in Japan and the last three in China).

A first glance at the Chino-Japanese war map is very apt to give the impression that Japan has already conquered vast portions of China. In reality, however, the armed forces of Nippon control merely the principal cities in nominally "occupied territory" and some five miles either side of the railway track connecting them.

When Dr. H. H. Kung, Prime Minister and concurrently Finance Minister, stated in a New Year's message that out of the 796 districts in the nine provinces of north and central China, which on the war map are in Japanese hands, only fifty-nine district governments appointed by the central administration were able to exercise their authority, he merely confirmed the general picture previously painted by more than one reliable neutral observer who recently has traveled through this territory.

Moreover, throughout "occupied China" there remain large and small guerrilla armies who are engaged in harassing the Japanese army's long lines of communication, obstructing Japanese economic projects and preventing as far as possible any form of Chino co-operation with the enemy. A campaign of mass political education, conducted by these armies, forms an important adjunct to their purely military operations.

In the barren mountains of Shansi, in the rich and spacious area spreading between the railways linking Peiping with Hankow and Nanking, in the coastal belt of north China and more recently in portions of Anhwei, millions of persons are receiving political education and learning the rudiments of guerrilla warfare. And to clear these areas alone of Chinese troops and parti-

sans, and to establish a more or less stable pro-Japanese administration, would require years of Nipponese punitive expeditions and immense sums of money.

Forces Stronger Than Ever

On the other hand, it is true that in Peiping, Nanking, Hankow, Canton and other cities, "puppet" Chinese administrations have been formed; but their members go in daily fear of assassination and scarcely a month goes by without at least one of them falling victim to a patriotic bullet or bomb.

Most significant of all, however, is the fact that Nippon's oft-repeated main objective—the destruction of Generalissimo Chiang Kai-shek's armies—remains but an idle dream. The strategic withdrawal from Wuhan last October (I was there at the time) was brilliantly executed, being accomplished under cover of darkness with little loss of mechanical equipment, arms or ammunition. And ever since, the military authorities have been busy reorganizing and strengthening these forces, so that today, both in experience, training and numbers, they present a more formidable obstacle to Japanese imperialism than they did when the war began.

Furthermore, China's military command has learned that frontal attacks are not only costly but seldom effective against an enemy with preponderantly strong armaments, and the new tactics to be employed in carrying out the country's united and immutable policy of long-term resistance—highly mobile guerrilla warfare on a national scale—are calculated to make it obligatory for the Japanese Army to station large and expensive garrisons in "occupied China" and finally wear it down long before the Chinese forces are ready to give up the struggle. This type of warfare is also much better suited to China's national economy and cuts down her military requirements to small arms and ammunition manufactured to a large extent in arsenals in the interior. (Incidentally, airplane factories are also in existence; in addition to which supplies of small arms and munitions as well as aircraft are continually reaching military headquarters from the outside world.)

That the Japanese militarists for their part likewise see no immediate end to the war has been indicated by them repeatedly of late, and the people of Nippon have been asked to be patient and accept further regimentation and sacrifice without murmur, so that ultimately a new world may be created in

keeping with the precepts of the (Japanese) "Imperial Way." And it is the considered opinion of the writer that Chino-Japanese hostilities have now resolved themselves into an economic endurance struggle. And in such a contest, under existing conditions, the odds are clearly on China.

The reasons for such a view are several. First, China is fighting for her independence, and long-term resistance is growing daily more popular with the masses whose long dormant national consciousness has finally been aroused by the ruthlessness and savagery with which the invader has conducted his campaign to establish a new order in the Far East, while the Japanese nation not only has lost its initial enthusiasm for this war of conquest, which was supposed to be all over in a few months, but is heartily sick of it, and only continues its support because, both individually and collectively, as Japanese, they have been taught from infancy that theirs is not to reason why, but to do or die.

Three Misconceptions

Here, in order to have the current situation in true perspective, it is necessary to pause a moment to clear up the following misconceptions skillfully planted in the minds of many abroad by Japanese propagandists: (a) That Japan is fighting Communism in China; (b) that the Kuomintang (China's national party) and the Chinese Communists are no longer co-operating with one another, and (c) that Dr. Wang Ching-wei's peace proposals issued in Hongkong last December have weakened China's united front.

Japan's claim to be fighting Communism in China is nothing short of a deliberate misrepresentation of fact. On the contrary, she is bending every effort to expunge Marshal Chiang Kai-shek, who has consistently (since 1927) led his armies in campaign after campaign against the Chinese Reds. Only when they publicly disavowed their Communist doctrines in favor of a united front against Japanese aggression as a 1937 New Year's gift to their fellow countrymen were they taken into the national fold and given back their rights of citizenship.

United in Defending Nation

The alleged rift between the Kuomintang and Communist parties is likewise a myth. Ever since the Sian incident (of December, 1936, when the generalissimo was kidnaped) there has been no fundamental difference of opinion between them. And today, more than ever, they are united by a common resolve to defend China's national independence.

Unity of the Defenders and Guerrilla Methods Demoralize the Invaders

It was for the express purpose of consolidating the unity of all national forces and insuring full discussion and deliberation of all national policies before a decision is taken, that at the emergency session of the Kuomintang National Congress, held in March, 1938, the People's Political Council was established, representatives of all parties and leaders from various walks of life being included—a confirmation of the right of every citizen to hold his own political opinion.

These points are indorsed particularly by Dr. H. H. Kung on the one hand, and by one of the Communist leaders, Gen. Chou Enlai, who is vice-director of the Political Affairs Bureau of the Military Affairs Commission, on the other.

Wang Effective in Reverse

As regards China's reactions to Dr. Wang Ching-wei's peace proposals, I journeyed some two thousand miles through Free China after they were made. In addition to innumerable talks with "the man in the street," I had long and frank discussions with nearly all the National government leaders, as well as numerous unofficial personages and impartial observers well qualified to size up the political situation. In this manner I was able to establish beyond doubt that Dr. Wang's peace statement had not only alienated him from the confidence and respect of the Chinese people, but had noticeably stiffened the national determination to continue long-term resistance until there was not a single Japanese soldier left on Chinese soil. The most eloquent and decisive statement on this subject came from the lips of Mme. Chiang Kai-shek, who declared, her eyes flashing, "With the blood of our fellow countrymen not yet dry on Japanese hands, how can we think of peace?"

Second, China is in a much better position to stand the economic strain than Japan. She is by no means so centrally organized and can continue to live indefinitely much the same as she did before hostilities began. China has plenty of food and it is still cheap. During the last two years the crops have been exceedingly good—not only sufficient to meet the country's needs, but sufficient to store away for a rainy day. As regards clothing, China is equally self-supporting. Whereas in Japan the cost of living is constantly rising.

From New York Herald Tribune, April 23, 1939

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WHY THE ODDS FAVOR CHINA - page 2

New economic centers, manufacturing and mining, have sprung up all over Free China and are being actively developed. In this connection the fast strides made by China's industrial co-operatives, which are only a year old, deserve special mention.

The vital problem of transportation is likewise being tackled with a will. The railroad which is scheduled to connect the Indo-China port of Haiphong with Nanning, in Kwangsi Province, next September (the roadbed running parallel in many places with the highway over which I drove by truck from Dong Dang on the China-Annamite border), has already been begun on lines which eventually will connect Chungking, the war-time capital, with Chengtu (provincial capital of Szechuan, Kunming (provincial capital of Yunnan) with Suifu (in south Szechuan), and Kunming with Lashio, in Burma, the

northwest terminus of the railway to Rangoon. And when another projected line connecting Suifu with Neikiang, a point approximately half way between Chungking and Chengtu is completed, Szechuan will be in direct railway communication with Rangoon. Although this is by no means an immediate prospect, since many of these lines will take years to build, it is nevertheless a revolutionary step forward in China's march of progress.

The building of new highways is also proceeding apace; some fourteen to fifteen hundred miles being at present under construction in the hinterland northward and westward of the battle front. Furthermore, the newly opened China-Burma highway (over which I traveled last February) is likewise a brilliant achievement, considering that despite the difficult topography (the road passes over high mountain ranges—the highest being 8,500 feet

above sea level—and large rivers), it was completed in nine months.

In fact, little is being left undone to strengthen the economic front. China's resources in man power and raw materials are immense and definitely much superior to those of Nippon. Moreover, China can concentrate on fighting one enemy; not so Japan, which has several in the offing.

As to how long the war will last, the Japanese have officially stated time and again until the armies of Marshal Chiang have been exterminated. The Chinese, for their part, have declared, equally emphatically, that they will continue fighting until they have recovered all lost territory, including Manchuria.

To what extent the attitude of the democratic powers is likely to affect the situation during the months ahead, at present offers field for considerable conjecture, since apparently they cannot decide

on any definite line of action either individually or in concert. (Russia's position, I learn, puzzles many. In reality it is perfectly plain. She is giving China little more assistance than either the United States or Great Britain, lest such help be misunderstood. Nevertheless, she is ready to join these powers in whatever steps eventually may be decided upon to halt Japan. She has, however, no intention of fighting a war in the Far East without them—that is, unless her frontiers are attacked; these she is ready to defend in force at all times.) But, as things stand today, there is no doubt that Chino-Japanese hostilities are likely to continue for at least another twelve months, at the end of which period Nippon will be feeling the economic strain of prolonged aggression in a serious degree.

Editorial from the
Charleston Gazette
(West Virginia)

This newspaper has never been jingoistic; it has always contended that one of the greatest blessings this country can possibly enjoy is peace and the friendly regard of other nations. We believe in a policy of live and let live.

Yet after long and reasoned reflection, with no desire to stir up bad feelings, and with sadness we are forced to the conclusion that it is the moral duty of our government to institute an embargo against Japan insofar as war materials are concerned. We believe this should have been done long ago.

It is apparent now to even a casual reader of the news that the Japanese military ruling clique is bent upon the absorption of China's resources and the destruction of Chinese civilization. No other explanation can account for the systematic campaign of rape, murder and destruction which has been methodically ordered by the Japanese leaders. "Spontaneous outbursts, spontaneous atrocities" will not account for this campaign. It becomes plain

End Our Shame

that the Japanese are bent upon the destruction of China's most powerful institution—the home. To that end the utmost in cruelty, barbarism and wantonness have been employed and will continue to be employed so long as Japan can wage war upon her well-nigh helpless foe.

Do you say it is none of our business?

We agree with you, but, sad to relate, we have made it our business.

To our shame be it said that we are acting as partners with Japan in this systematic mass rape and murder. It is not a pretty confession to make but it is one that must be made. We stand in the position of helping Japan commit one of the greatest mass atrocities of all time. And it is being perpetrated upon a nation for which we have always professed lasting friendship.

Japan would not be able to wage this war of terror if it did not receive help from the United States of America. We send them enormous amounts of raw materials—such as scrap iron—which they at once forge into engines of death for the Chinese. Our motor cars enable them to outmaneuver the Chinese footsoldiers. We cannot dodge the blame for a large part of the frightfulness that is going on in China. Every shell that

screams through the air carries with it an American note. Many of the bullets embedded in Chinese soldiers, children, women and the aged should bear the mark "made in America." If the outcome is a power-drunk Japan and a ruined China the fault will largely be ours.

An embargo on any materials that could be converted into munitions seems to us to be the only answer. Surely there is enough decency and compassion in this country to back a movement to end our liaison with these murderers and terrorists. Surely this country has had more than enough of a policy which is crucifying a nation of 400,000,000 fellow-humans. The only right and decent thing for our government to do is to stop this cruel and vicious policy—stop backing the rape and murder of a friendly people.

The answer to this—and we say it sadly—is to boycott Japan.

It may take a few dollars out of the pockets of the Merchants of Death but at least it will square our national conscience. We have too long delayed the matter.

Let us boycott the sale of war materials to Japan in any way, shape or form.

Public decency demands that we put an end to our shame.

CHINA MISCELLANEA

INTERESTING COMMENT ON JAPANESE CASULTIES. A recent Shanghai newspaper carries the report that Japan will shortly 'mobilize' 60,000 pretty and young Japanese war widows to China in order to convert young Chinese into pro-Japanese in thought and action. This report does not indicate that such a project will be successful and goes on to say "The best way to eliminate anti-Japanese feeling is not by sending prospective brides to China but by recalling the home-sick Japanese soldiers back to their country."

DR. KUNG COMMENTS ON "A NEW ORDER IN EAST ASIA". Japan has not yet harvested any fruits of victory. . . To do so she must invest large amounts of capital, which she does not have. To pacify regions under military control Japan must first be able to maintain law and order and win the confidence of the local inhabitants. In 12 provinces, Japan occupies completely only 65 out of 1,038 districts. Of these 65 districts, 42 are in Hopei Province, while 23 were originally incorporated in the so-called East Hopei Special Area before the outbreak of the Lukouchiao Incident. Dr. Kung said that whereas the average annual tax burden of each Japanese four years ago was 12.23 yen, last year it was 22.64 yen--113.20 yen for a family of five. This will meet only one-half the expenses needed by the Japanese Government.

AIR RAIDS - BOMBINGS. Do we forget that air-raids and bombings still continue in many places in China? Chekiang University, now in Kiangsi, was bombed by 18 planes on February 5. One student writes: "It was Sunday. Eighteen heavy bombers circled overhead. Systematically and scientifically they dropped 121 bombs over our 800-square-metre campus. Row by row, line by line, the missiles rained from above. Eight buildings were destroyed--lucky we have decentralized small buildings now--and the entire campus looked as if some Hercules had turned the whole thing up side down."

PINKIANG. A letter in the North China Daily News, March 29, reports "We heard yesterday that in Pinkiang (Hunan) one of the Mission compounds was bombed, one missionary was killed. You remember Clark? He was in the same bombed compound and was dazed by the shock. The other missionary who was killed stood just in the place where the bomb fell and nothing of him could be found, not even a small piece! The compound is very large and marked, very clearly with gigantic Union Jacks all over. The people who saw the bombing said it was clearly deliberate, perhaps it is one of those 'vigorous steps' Japan promised to undertake on account of British loan to China."

SWATOW. The N.C.D.N. for April 9th reports "Four seaplanes arrived on the scene about 9 a.m. . . and made for the old target, the long-suffering railway station, and dropped six bombs." Three others were dropped in the river. Eight were dropped above Chaochowfu and a few in Kityang. "On the way back out to sea one of them disgraced itself by a very foul piece of work. It came upon one of the passenger launches that ply between Kityang and Swatow, flew low and opened its machine-gun on it. Eight of the passengers were killed on the spot, at least four of them women, and 20 were wounded, of whom two have since died. It is difficult to see how the wholesale massacre of a helpless crowd of harmless folk cooped up in a boat without any means of escape is justified either as an act of legitimate warfare, or as an achievement radiating great glory on the Japanese Imperial Navy!"

CHINESE TEA. Back in China's "golden" provinces of Sikang and Yunnan, the Chinese Government is starting new centers where the renowned Keemun black and Tunchi green tea are being scientifically produced. Nearly 3,000 experts migrated into the new tea-producing regions where their services were urgently needed.

OFFER GOLD TO THE STATE. During March the war chest campaign in Chungking netted \$2,500,000. The money was offered by the people of all walks of life and collected from every corner of the wartime capital.

MORE FACTORIES. Between October, 1938 and March, 1939, no less than 12 big factories with a total capitalization of tens of millions of dollars have been erected. Southwest China is also the new home of at least 300 factories and workshops removed from the seaboard and Central China provinces.

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

CHINA INFORMATION SERVICE, Issue No. 23, May 3, 1939,

Page 5.

SOOCHOW UNDER OCCUPATION

A recent report states that although all but 5,000 of the 300,000 inhabitants fled at the time of Japanese occupation, the city preserved its external structure 80 to 90 percent intact. The population is now 90 percent normal. Most of the people of wealth and influence are still away, a large part of the senior middle school students and all of the college students have left the city.

General Economic Life. Today most of the stores along the main street are opened and have more goods on their shelves, but it is a cheaper grade than before. Much of it is Japanese and can undersell Chinese or foreign goods. Considerable pressure is used at times with shopkeepers to force them to take Japanese products. Communications are in the hands of the Japanese, railroad, telephone, telegraph, bus and launch companies. The largest cotton mill, the flour mill, the electric power company and several silk filatures have either been taken over or forcibly placed on a "cooperative" basis. In spite of such "rivals", economic activity is depressed.

Rents and Land Tax. The Soochow of the past was the home of many well-to-do landlords whose annual rent collections ran to \$5,000,000 or \$6,000,000. One-fourth of this went to the government for taxes, the remainder fed the economic life of the city. The present government asks for one-half but is finding it impossible to make collections. For example, only \$200 was collected where the normal amount would have been \$50,000.

The Hotels. The prosperity of the hotels is in striking contrast to the depressed condition of economic life generally. They are among the few buildings which seem to have been painted and brightened up. The old ones are running strong, though frequently under new management, while approximately ten new ones have been opened within the past year. This boom is explained--First, there are many Japanese visitors who must stay in hotels. Second, the Japanese occupation has meant the rise of a new class of Chinese to comfortable or wealthy living--the go-betweens for various forms of Japanese-sponsored, Chinese-fronted enterprises. As a new-rich, nationally disposed class, they tend to flock to the hotels and are ready customers for the various "services" offered in the hotels--which brings up the third reason. Third, it is an open secret that opium smoking, gambling and prostitution have become their stock in trade, both for their long-time residents and for those who drop in for a few hours of pleasure seeking. It is estimated that more than half their income is derived from such sources. As they are sources of revenue, it is doubtful if the New Order in Soochow will do anything about them, but they stand as a glaring comment on that order.

Opium and Prostitution. "Every street has its den" is a common saying, and estimates of the total number of such opium-smoking establishments run from 500 up. There are four wholesalers or distributors who supply these dens. As an income-producing business for the tax collectors, opium stands head and shoulders above all rivals. A recent report from Changchow, a city midway between Soochow and Nanking, reveals similar conditions: "For our city of 100,000 people it is estimated that there are 10,000 registered opium smokers, between 160 and 170 opium dens, and three distributors. . . . Applications for the purchase of opium may be left at the office of the Military Police."

Exact figures or estimates of the increase of prostitution in Soochow are impossible, but there are numerous indications of a significant increase. The growth of hotels and the increase of prostitution in each, the coming of new institutions like the girl "Guides", the increase of waitresses and hostesses in restaurants and wine-shops, and the development of pleasure houses along some of the main streets with their hostesses lounging about the doorways. During the recent "New Order Week" one of the most lurid of such houses carried the brightest colored motto on the street, "Support the New Order in East Asia."

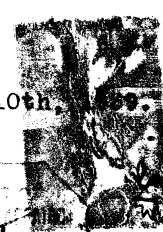
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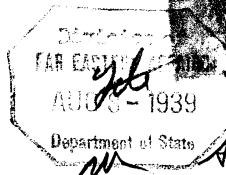
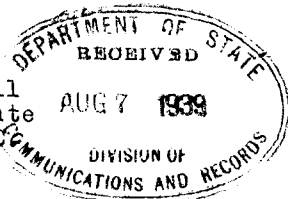
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July 10th.



His Excellency
Hon. Cordell Hull
Secretary of State
Washington, D. C.
U. S. A.



DCR
590

Your Excellency,

793, 94
Allow me to send you separately a copy of
"Contemporary Japan", July issue, with my compliments.
It contains an article written by me under the title of
"Some Questions for President Roosevelt", and I am sending
it for your kind perusal.

I was one of the members in the Konoe Cabinet
when the Cabinet Conference decided on the expedition to China
and feel responsibility for the decision, with strong and deep
conviction for the right of the cause involved in it.

It seems to me, in reading President Roosevelt's
speeches made on diplomatic questions, that he is not correctly
informed of the truth, but misled by erroneous interpretation
of the facts in many instances.

I sincerely desire that my little article may
assist you and President Roosevelt in a correct understanding
of Japan's position where she stands so patiently, yet courageously,
amid bitter criticism and untrue propaganda.

With highest esteem,

Yours most respectfully,

R. Nagai
Ryutarō Nagai

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

State
His Excellency
President Franklin D. Roosevelt
Washington, D. C.
U. S. A.

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It seems to me, in reading your speeches made
on diplomatic questions, that you are not correctly informed
of the truth, but misled by erroneous interpretation of the
facts in many instances.

Japan and her people love peace, as well as
justice, just as America and her people do, that is why both
have been, and are keeping pace closely hand in hand, since
the visit of Townsend Harris at the little fishing village of
Shimoda where he stayed and strove for the friendship between
our two countries nearly a century ago.

I sincerely desire that my little article may
assist you in a correct understanding of Japan's position where
she stands so patiently, yet courageously, amid bitter criticism
and untrue propaganda.

With highest esteem,

Yours most respectfully,

R. Nagai

Ryutaro Nagai

507, 3-chome Sendagaya
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Japan.

July 10th, 1939.

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

August 19 1939

No. 1796

To the

American Chargé d'Affaires ad interim,
Tokyo.

The Secretary of State encloses a copy of a letter addressed to him under date July 10, 1939, by Mr. Ryutaro Nagai of 507, 3-chome, Sendagaya, Shibuyaku, Tokyo, forwarding a copy of the July issue of Contemporary Japan, which contains an article entitled "Some Questions for President Roosevelt", written by Mr. Nagai. A similar letter, addressed to the President, enclosing a copy of the same issue of Contemporary Japan, has also been received.

It is desired that the Embassy in its discretion make such acknowledgment of the receipt of the above-mentioned communications as it may deem appropriate.



Enclosure:

From Mr. Ryutaro Nagai,
July 10, 1939.

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CONTEMPORARY JAPAN

A Review of Far Eastern Affairs

JULY



1939

VOL. VIII, NO. 5

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A Review of Far Eastern Affairs

(March-July, 1939)

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

CONTEMPORARY JAPAN

Vol. VIII, Nos. 1-5

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NOTES ON CONTRIBUTORS

RYUTARO NAGAI, M. P., was formerly professor in Waseda University, but turned to politics some twenty years ago, and has since held the posts of Vice-Minister of Foreign Affairs, Overseas Minister and Communications Minister. Twice secretary-general to the Minseitō Party, he is now its chief executive. He is also the author of *Sekai Seisaku Jikkō* (Ten Lectures on World Politics), *Shokumin Genron* (Principles of Colonization), *Shina Taikwan* (Outlook for China), and two dramas entitled *Marquis Okuma* and *Zeniya Gobei*. TETSUJI KADA, D.Sc. (Econ.), professor in the economics department of Keio University, is a frequent contributor to vernacular magazines on subjects economic, political and international. His published works include: *Meiji Shoki Keizai Shisoshi* (A History of the Early Meiji Economic Ideas), *Jinsbu*, *Minzoku*, *Senso* (Races, Nationalities and Wars), *To-a Kyodotai Ron* (The Principles of the East Asiatic Unity), etc. TOKUZO KOMAI, founder and president of Kotoku Gakuin College at Takarazuka, was successively a section chief in the South Manchuria Railway Company, director of the special service bureau of the Kwantung Army, president of the General Affairs Board of the State Council of Manchoukuo and finally a councillor to that State. His book *Manshu Kenko Roku*, 1932, (How Manchoukuo Came into Being) was one of the best sellers of the time. TEIJI TSUBOKAMI, president of the Manchuria Colonization Company, was formerly a bureau director in the Foreign Office and Vice-Minister in the Overseas Ministry. SEIICHIRO TAKAHASHI, professor in Keio University, concurrently holds the post of lecturer in Tokyo Bunrika University. He is the author of *Keizai Gakushū* (A History of Economic Theories), *Jushobugū Keizai Gakusetsu Kenkyū* (Studies on the Economic Theory of Mercantilism), *Ukiyo-yé Nihyaku Gojunen* (Ukiyo-yé through Two Hundred and Fifty Years), etc. SHUGAKU YAMABÉ, professor in Ohtani University, 1919-31, has since 1931 been president of the Buddhist Cultural Association. He spent five years in India and England in pursuit of studies of Buddhism. His main works are: *Butsudesshi Den* (The Disciples of Buddha), *Bukekyō ni okeru Jigoku no Shinkenkyū* (A New Interpretation of the Buddhist Hell), *Shinran* (The Priest Shinran), *Bukekyō Bungaku* (Buddhist Literature), etc. TEIZO TODA, D. Lit., is professor in Tokyo Imperial University and a prolific writer on social problems. His works include: *Kazoku no Kenkyū* (A Study on the Family System of Japan), *Kazoku to Kon-in* (The Family and the Marriage System), *Shakaigaku Kōgi* (Lectures on Sociology), etc. PAUL RUSCH, professor of economics in St. Paul's University, on whose faculty he has been since 1926, is correspondent of the *Living Church* and a frequent contributor to that magazine, the *Church Times*, the *Canadian Churchman*, etc. He is also the founder of American football in this country, the founder and executive vice-president of the Brotherhood of St. Andrew's movement, and is actively connected with America-Japan society work. SABURO SONOBÉ, erstwhile editor of the *Ongaku Hyoron* (Musical Review), is now a director of La Société des Amis de la Musique Franco-Japonaise and adviser to the cinema section of the *Tokyo Nichi Nichi*. He is also a frequent contributor to vernacular magazines on musical subjects. TSUYOSHI MIYAO is an official of the Tokyo Municipality and a frequent contributor to periodicals published by the Education Department, the Tokyo Chamber of Commerce and Industry, and the Tokyo Municipality.

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SOME QUESTIONS FOR PRESIDENT ROOSEVELT

By RYUTARO NAGAI

JAPAN'S military campaign in China, as explained by former Prime Minister Prince Konoye in his statement last December, aims at neither territorial acquisitions nor indemnity. The real aims of Japan have been plainly set forth: first, to construct a new China fully independent and freed from those unequal treaties which encroach upon her sovereignty and make her virtually a European colony; and second, to establish through the collaboration of Japan, Manchoukuo, and China a self-sufficient economic structure which will be mutually beneficial to the peoples of those three countries. President Roosevelt seems to fail to understand exactly why Japan, with all her sympathy for the Chinese people and her solicitude for China's growth and prosperity, has been drawn into the present conflict.

Up to the present China has been for all practical purposes a colony of Europe. Exposed in the north to the aggression of international Communism moving against the background of the Soviet Union and weighed down in the south under the increasing pressure of the capitalist Imperialism of which Britain is the driving force, China's independence has indeed been a matter of mere name. At the general meeting of the Communist Internationale in Moscow in 1922, the Comintern decided

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to turn from the sovietization of Europe to that of Asia. This new policy proved successful, and the areas in which sovietized régimes were set up were in turn added to the Soviet Union until its domain extended over the districts inhabited by Armenians, Azerbaijanians, Cossacks, Kirghiz, Georgians, Turcomanians, Uzbekistans, and Buriat-Mongols. In addition such parts of China as Outer Mongolia and Sinkiang, or Chinese Turkestan, were brought under the control of Soviet influence. More recently, the lengthening shadow of Red Russia was cast across the Yangtze basin with the result that the Chinese Communist forces, some 300,000 strong, at one time overran more than 70 administrative areas along that great river. Moreover, it seems certain that Manchuria as well, had it not been established as an independent sovereign state in good season with the collaboration of Japan, would have proved fertile soil for sovietization in view of the general discontent bred there by the misrule of the two successive masters of the house of Chang.

It should be noted, too, that had Chiang Kai-shek consecrated himself to the cause of order and independence and remained unshaken in his faith and purpose instead of bowing to the Comintern, Japan would have been willing to support his cause and régime. When he was engaged in subduing the warring factions in his country in order to rise to power as China's virtual ruler, he repeatedly appealed to Japan for financial aid and war supplies. But Japan refused them because she believed that her aid to him, or to any of the warring generals, would only develop and intensify China's internecine warfare, thereby leading to the ultimate subversion of the peace of the whole of East Asia. In these circumstances, Chiang Kai-shek had to turn elsewhere and he found a ready response from the Soviet Union. His appeal for arms and ammunition was generously met by Moscow when the Comintern for its part decided to extend its domain to the central part of China through the instrumentality of Chiang Kai-shek himself.

As a result, relations between Japan and the Nationalist régime went from bad to worse and the rising tide of anti-Japa-

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nism swept over China. It was obvious that Japan and the Comintern could never have agreed in their outlooks on international affairs, the former being pledged to the building of lasting peace in East Asia upon the basis of international justice, and the latter aiming to secure a world revolution in pursuit of its materialistic doctrines. It was to be expected that the Communists aided Chiang Kai-shek as far as possible and sought every means to use him as a tool to checkmate Japanese activity in China and to keep that country open for sovietization. For a decade and more, Chiang Kai-shek inspired anti-Japanese movements in every form, even to the extent of making anti-Japanese doctrine part of the education system for young school children. His work in this respect was most thorough. It may be sufficient to point out that in the three years from December, 1933, to the closing months of 1936, subjects diplomatically taken up involved no less than 54 Japanese residents killed, 81 injured, and 111 cases where property was either plundered or destroyed, a total of 246 cases. The culminating point in this movement was the Marco Polo Bridge incident in July, 1937.

It should be remembered that Japan had for years been unsparing of efforts to help China achieve a position of full autonomy. When the Powers met in Peking to consider revision of the customs tariff, it was Japan that tried to secure the recognition of China's tariff autonomy. Again, when the commission on the abolition of extraterritoriality met, Japan's main concern was to see China's demands recognized. All this and more was done because Japan was anxious to see her neighbour become reconstructed into a new and unified state.

Meanwhile, however, Chiang Kai-shek and his followers chose to ally themselves with the European influences that moved behind them and directed the anti-Japanese movement by all means at their disposal, filling the minds of the Chinese people with antagonism toward Japan. By this policy, China's political leaders were directly undermining the peace of the Far East. It may be asked, what civilized country ever deliberately encourages looting, persecution, violence, and murder against the nationals

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of a friendly neighbour? And what, it may be asked, would America have done if such policies had been adopted against her own people?

When in 1913 Huerta, leader of the anti-American movement in Mexico, brought about a revolution and set up his own government, President Woodrow Wilson not only refused to recognize it, but, on the ground that the American flag had been insulted, placed Vera Cruz, Mexico's best port, under military occupation. Furthermore, in 1916 when Villa and his followers rose in revolt against President Carranza, the recognized protégé of America, the action taken by these rebellious elements against American residents in northern Mexico was sufficient reason for President Wilson to order a large-scale military expedition to the neighbouring country.

In 1926-27 the Kuomintang of China, instigated by the Comintern, began an anti-British movement in the Yangtze valley. When the British concession at Hankow was occupied by the Chinese forces in January, 1927, the British Government dispatched a land force of 15,000 to Shanghai. Although the Nine-Power Treaty had already been put into force, the American Government recognized the British action as one of self-defence. When Chinese soldiers at Nanking committed outrages in March, 1927, both British and American men-of-war directed their gun fire upon Nanking from the river continuously for two days. They had no scruple to do then what today, in the case of Japan, Britain, France, and America consider a violation of the treaty. It is difficult to understand why the same thing can be construed as an act of self-defence in the case of Britain and America and as a violation of the treaty in the case of Japan. If President Roosevelt reviews these events of the past openly and honestly, he will no doubt understand why Japan, despite her anxiety to reconstruct China, found it necessary to deal forcibly and decisively with Chiang Kai-shek and his party.

There are a number of persons in European and American countries who criticize severely the Japanese actions in Manchuria and China as an attempt to monopolize resources in these parts

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of the world. But what has become of Manchoukuo since its birth as an independent State? Japan has declared the restoration to the new State of the rights of administration, taxation, and extraterritoriality in the zone along the South Manchuria Railway, thus materially contributing to the State's independent position. No less has been done for the recovery of peace and order. Bandit troops which numbered some 300,000 before 1931, are all but gone, either being subdued or having sworn allegiance to the new authority. The material

Erratum

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The fifth line from bottom

Read ¥173 million for

¥973 million.

Manchoukuo should be obvious.

Something akin to what has happened in Manchoukuo may also be noted in the industrial condition of the areas of China now under Japanese military occupation. Exports and imports for the six ports of North China, namely, Tientsin, Tsingtao, Chefoo, Chinwangtao, Lungkou, and Weihaiwei, last year exceeded ¥973 million, a 75 per cent. advance as compared with a total of ¥330 million for those six ports in 1936. This growing foreign trade of Manchoukuo and North China has been shared, though in varying degrees, by Britain, America, France, and Germany. Their exports and imports have visibly

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Something akin to what has happened in Manchoukuo may also be noted in the industrial condition of the areas of China now under Japanese military occupation. Exports and imports for the six ports of North China, namely, Tientsin, Tsingtao, Chefoo, Chinwangtao, Lungkou, and Weihaiwei, last year exceeded ¥973 million, a 75 per cent. advance as compared with a total of ¥330 million for those six ports in 1936. This growing foreign trade of Manchoukuo and North China has been shared, though in varying degrees, by Britain, America, France, and Germany. Their exports and imports have visibly

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expanded with the economic development of those areas. In fact, Japan's military undertakings in Manchoukuo and China have contributed to the improvement of world trade, and have not served to freeze out the commerce of other countries. Is it not quite natural, therefore, to say that the League of Nations and Secretary Stimson, who took exception in strong terms to Japan's aid to Manchoukuo, should take back what they said and render thanks to her for having opened a new market for world trade?

The world today now faces a great international crisis. This critical condition has developed chiefly from the conflict between those who would maintain the *status quo* and those who would alter it. To be precise, one group is composed of countries which, having followed Imperialism, wish to hold and maintain the lands, material resources, and rights and interests they have conquered or acquired by the pursuit of Imperialism, thus maintaining their present superiority, while the other group is composed of those countries which oppose the bearers of the Imperialist standard and wish to place all lands, material resources, and markets which have been monopolized at the disposal of all mankind, thereby eliminating the causes of friction and conflict between the haves and the have-nots. This latter group aims at the reconstruction of the world upon the basis of international justice and the lofty ideal of co-existence so that the true foundation of a lasting peace may be laid.

When the European countries had exhausted their fighting power and capital resources in the World War, a number of oppressed Asiatic races rose in revolt. Turkey, under the leadership of the late Kemal Pasha, developed into an independent state, driving the Europeans out of Asia Minor. In 1919, Afghanistan declared war against Britain and as the result of military successes recovered the control of foreign relations which had been surrendered to England. Persia, led by Ali Riza Khan, established itself as a new state and completely recovered its territorial integrity. In Arabia, even the Hejaz and Nejd tribes exacted from Britain recognition of their respective kingdoms. Siam in 1925 secured her autonomy, having

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renounced all unequal treaties. In British India, Mahatma Gandhi and his followers have for more than a score of years declared India for and by the Indians; and their independence movement has steadily gathered force despite the fact that Gandhi himself and tens of thousands of his followers have been imprisoned at one time and another. And when the peoples of Japan and Manchuria, defying the strong protests of European countries grouped in the League of Nations, brought forth a new State, they gave expression to that new spirit of independence and autonomy which had swept over Asia. In China, too, apart from Chiang Kai-shek and his group, the general populace is consumed with the desire to win back from European countries its own jurisdiction, concessions and customs administration and to renounce the unilateral treaties and establish the country upon an independent and autonomous basis. Now that the Japanese forces have driven Chiang Kai-shek deep into the interior, the people of China are setting up new régimes to secure a rejuvenated China.

Germany has now recovered some of the territory which was deprived of her by the Treaty of Versailles; and all Germanic peoples are bending their efforts to lay the foundation for a national life which is necessary for their racial resuscitation. Italy is now about to advance into the Balkan Peninsula and Northern Africa, places which have for many years been the theatre for the Imperialist policies of Britain, France, and Soviet Russia. All these movements should be considered as assertions of the right of self-defence by the oppressed races.

The total land area of the earth is estimated at approximately 50 million square miles, of which some 30 million square miles, or three-fifths, is in the hands of only four great Powers, namely, Britain, France, the Soviet Union, and the United States. Moreover, these four great Powers, following the unsuccessful World Economic Conference of 1932, have veered in the direction of closed economies, closing their doors to outside immigration and raising high tariff walls. America has been very deeply concerned with Japanese activity in Asia, but seems to over-

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look the fact that Japan has had to follow her present policies for a number of reasons among which not the least important is America's closed door to Asiatic immigration and her closing of markets to Japanese imports. As an instance of how Japanese trade with the United States suffered due to the latter's closing of its markets, it may be cited that our exports to the United States dwindled about 40 per cent. during the seven years between 1929 and 1936, that is, from 950 to 590 million yen. However that may be, all these great Powers have always been imposing their own will upon Asia. It is their idea that Asia should not only be for the Asiatics but for all the rest of the world. It is likewise their idea that here in Asia the door should be kept open and opportunity made equal for all peoples. By the same token we have the right to say that all Europe and America are not for their peoples alone but for all peoples of the world and that Europe and America should therefore keep their doors open and respect the principles of equal opportunity. If the peoples of Europe and America have the right to make their own resources inaccessible to others and construct their own self-sufficient economic structures, then the peoples of Asia have the same freedom to exploit their own natural wealth and establish their own self-sufficiency.

If President Roosevelt is truly anxious, as he seems to be, for the peace of East Asia, why will he not co-operate with Japan and eliminate once and for all the menaces to world peace which have arisen from this one-sided attitude of the Powers? Why does he not keep aloof from Britain, France and the Soviet Union who are trying to checkmate Japan in her fight to free the oppressed races of Asia and thus enable them to reconstruct their life on the spirit of justice and the great principle of love and humanity? Japan is animated by the desire to work with other Powers which will respect the independence of all races in Asia and which will work with these races on the principle of equality. With people so disposed, Japan is only too willing to develop the natural wealth of Asia, open up its markets, and construct a new community without oppression or extortion. Japan

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sincerely believes that it is her duty to build a new Asiatic order in which the peoples of Asia will really enjoy freedom, independence, and peace.

The War of American Independence occurred when the people of thirteen states fought to be free from the oppression and extortion of the English king and sought to establish their own independent, self-governing life. The American Civil War originated in the desire to exterminate the slave system born of the thought that the whites had the right to enslave the blacks, and thus established the principle of the liberty of man. When the people of Cuba revolted in 1895, America's sympathies went for the natives, and the Spanish-American War secured their independence and freedom. America has had a number of presidents who added glorious pages to their national history; some, as champions of justice, defended the weak against the strong; others even took up arms to free the weak from oppression. It is to be regretted, however, that the present President has of late been displaying a growing sympathy for the Imperialist Powers. He has been taking sides with those countries which strive to maintain their vast empires built upon lands conquered by armed Imperialism, and he even seems inclined to side with the destructive forces of Red Imperialism.

Chancellor Bismarck once condemned American diplomacy as "the brazen-faced and shameless Monroe Doctrine." If America means to uphold this doctrine, she should not only expect others to respect it, but she herself should be willing to respect its basic principle. If America were to say that while she would not allow countries other than of the American continents to interfere with American continental affairs, she herself would have the right to interfere not only in the affairs of the American continents, but in any part of the world, she would be adopting an Imperialistic course. Then American diplomacy might be true to Bismarck's characterization. As it is, however, I am of the opinion that the Monroe Doctrine became untenable, morally at least, in consequence of America's own actions. The first such action took place in the latter part of the nineteenth

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century when the United States went forth outside the American continent and thus broke the rule of "Europe by countries of Europe and America by countries of the American continents." This happened in 1867 when the American Navy took possession of Midway Island which lies some 1,200 miles to the northwest of Hawaii. In 1889, the United States, jointly with Britain and Germany, established a protectorate over the Samoan Islands. The revolutionary outbreak in Hawaii in 1893 furnished the United States with the opportunity to conclude the treaty of annexation with the Hawaiian Government. Then the Philippines and the Island of Guam came under American control as a result of the Spanish War. The last and most complete departure from the Monroe Doctrine was made in 1917, when President Wilson, determined "to make the world safe for democracy," brought the United States into the World War. By this break with the Monroe Doctrine, America hoped to win a new position in world politics. And now it is evident that President Roosevelt is advancing in the tracks of his predecessor.

Nevertheless, a new age calls for a new policy. I have no intention to take America to task for her attempt to depart from the Monroe Doctrine or for her attempt to construct for herself a new position in world politics. But when America strongly insists on her right to have a voice in some continent other than her own and yet tries to close the American continents to any people but their own, is this not a most glaring inconsistency? If the world policy of President Roosevelt is, as revealed in his note to Germany and Italy, based upon such a superficial view of the *status quo* and its maintenance, and if his policy is to defend the Imperialist countries which are the main cause of world insecurity and ignore the just demands of the oppressed races which propose to reconstruct the foundation of world peace on international justice, and if his idea is thus to intensify unnecessarily the general feeling of insecurity, he will only serve to widen the gulf between the group of Imperialist Powers, which include America, and the group of anti-Imperialist countries, a situation fraught with grave enough eventualities. In

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the not unlikely event of armed conflict between these two groups, it would be an inescapable fact that President Roosevelt would have to answer before the bar of world history and enter the plea of guilty.

President Roosevelt divides the nations of the world into two categories, one democratic and the other dictatorial, and insists that the United States is duty bound to protect the former group of nations. But this classification is more apparent than real, when examined at a closer range. In the words of James W. Gerard, the former Ambassador to Berlin, the American Government, which is acceptedly a democratic one, is really that of fifty or sixty plutocrats who pay for the Presidential and Congressional elections. So it seems to me that an attempt to draw a clear-cut line of demarcation between democratic and dictatorial countries on the basis of mere outside forms of government is a dangerous undertaking. President Roosevelt is certainly on this dangerous ground and the more so because he proposes to take sides with one against the other, thus accelerating what bitter feeling that may exist between them. To my mind what he ought to do is to align himself with really anti-Imperialistic countries against really Imperialistic ones. I sincerely hope that he will forgo his ill-advised policy, cease to play the unbecoming rôle of champion of the Imperialists, and lend himself to the great cause of those countries which propose to construct a new world on the basis of international justice.

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THE THEORY OF AN EAST ASIATIC UNITY

By TETSUJI KADA

THE feasibility of East Asiatic unification has already received considerable attention among the intellectual circles of Japan and has awakened no less interest among the intelligentsia of China. With the advent of the China affair, the question emerged from the theoretical stage and has assumed the practical proportions of a national policy. In actual practice the achievement of this new unity will not only determine Japanese policy toward East Asia, but will also determine the attitude and actions of East Asia as a whole toward world politics. In the old order which prevailed in this part of the world for the past century, a good portion of the Far East has existed in the form of colonies or semi-colonies of the West, and even during the first fifty years of her life as a modern state Japan was also no exception to this rule.

When Commodore Perry in command of an American naval expedition startled Japan out of her feudal isolation, he demanded the full opening of the country with a display of powerful ordnance. In turn, America, Britain, France, and Russia demanded extraterritoriality and a low custom tariff fixed by treaty. Such demands, along with the establishment of exclusive settlements, represented the Imperialist formula that Europe and America had applied toward other Far Eastern countries and demonstrated that the cultural attainments and fighting power of the East were less easy for the West to deal with than the barbarous tribes of Africa. The dismemberment of Africa, which came after the invasion of the Far East, was

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accomplished by more direct methods. Nevertheless, forcible measures were frequently used in this part of the world as well, but more often the penetration of Western influence took the form of procedures less direct and more political in nature, as was epitomized in the low customs tariff, extraterritoriality, and exclusive settlements. Through the extension of these arrangements the regions of the Far East were successively organized as colonies or semi-colonies of the Western Powers. The conditions imposed on Japan were hardly better: she was not reduced to the colonial status in the strict sense of the term, mainly because of her progressive development, but nevertheless her full sovereignty was definitely curtailed.

The other countries of Eastern Asia, however, have lacked the internal power to rise against the pressure of European and American Imperialism. Even today these countries constitute one of the most important components of the world's colonial system, and the Western Powers holding these colonial stakes in the Orient are determined to maintain the system which offers them such economic advantages. On the other hand, with the rising tide of racial consciousness, the countries of Asia are equally determined to liberate themselves from colonial servitude. Among them, Japan has been most successful. The first goal set for her national effort was to bring her political and economic structure up to the level of the Western countries, to surpass them and become one of the Great Powers. Her progress was attended with severe obstacles and great costs: over the Korean issue she fought a war with China; another war was fought with Russia over the fate of both Korea and Manchuria. Japan emerged victorious in both struggles, but her new position did not remain unchallenged. The Sino-Japanese War was followed by the Triple Intervention of Russia, Germany, and France; the Russo-Japanese War led to an economic duel with the United States over the development of Manchuria. Japan's advance on the mainland during the World War was checked at the Washington Conference chiefly through the potent demands made by the Anglo-American

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combination. Japan's rise to power has always been viewed as something subversive to the colonial structure that Europe and America mean to preserve.

As a result of the present conflict between Japan and China, the attitude of the Western Powers has become only too obvious: they would see Japan become so worn and exhausted from a war of attrition that she would cease to be a force likely to disturb the old colonial order. Thus aid to the Chinese forces fighting against "Japanese Imperialism" is an investment in the maintenance of Western Imperialism in the Far East.

Due to her belated appearance on the political and economic stage, Japan has had to experience the greater impact of European and American pressure. In these circumstances, Japan took a leaf from their own book and thereby proceeded to establish and strengthen her position in East Asia. In regard to policies and methods, Japan has at times proved herself no better than her schoolmaster in the Imperial art; but even in these instances her basic motive was to check the Western advance, to match the countries of Europe and America at their own game. Today, however, Japan is strong enough to dispense with the tools of Western Imperialism, for a continued use of these outworn methods would not only fail to promote her own advancement, but would even retard the development of East Asia generally.

From this point of view, Japan must look for new ideas and new policies. Thus the idea of an East Asiatic combination has emerged. It is an answer for what the new order in East Asia stands for. The first postulate set forth is the complete repudiation of colonial or semi-colonial servitude. Japan's position, as set forth in the official statements of November 3 and December 22, 1938, is primarily based upon the principle of no territorial acquisitions and no war indemnity and aims at the construction of a new order in East Asia. It is admittedly true that the abstract principles enunciated in those statements are susceptible to more interpretations than one, but in their

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concrete sense those principles mean the casting off of colonial and semi-colonial bondage and the emancipation and advancement of East Asia.

With the repudiation of obsolete colonial relationships and the recognition of individual independence, the countries of East Asia will enter into a reciprocal and mutual arrangement in which no one country will hold others in subjection by might or right. But before sentimental generalizations should be made on this idea, it should be recognized that under world conditions today no individual country can successfully maintain an isolated position. Only when several countries, each retaining its own independence, combine and mutually support each other as one entity, can they achieve progress. It is only natural, therefore, that countries of kindred relationships, common destinies, and geographical propinquity should unite to form a politico-economic structure under which they can best realize their own individuality against the inexorable forces which dominate world politics and economics today.

The so-called "bloc economies" are formulas devised as relief measures to meet the world depression of the post-war period. In each instance, a bloc economy is developed when a powerful country, through its political and economic dominance, marks off an area as its own sphere of economic influence and therein proposes to acquire a special economic position and exclusive privileges. Such closed economies may be seen in the strengthening or consolidation of relations between the Powers and their colonies; the extension of control over semi-colonial areas to make them exclusive spheres of influence; and the establishment of close relations between a country of limited area or limited resources and a more powerful neighbour. Within any of these combinations, the paramountcy of the controlling Power is always the principal factor. For example, the British Empire formed its economic "bloc" at the Ottawa Conference where specially favoured relations between the mother country and the Dominions and colonies were established under the guise of "imperial preference." The special position

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thus accorded to Great Britain has been a source of discontent to Canada, Australia, and India because it was based primarily upon the demands and needs of the British Government. In these "bloc" economies, a powerful mother country forms the centre with all other elements subservient to its interest. Such combinations are capitalistic and Imperialistic in character and constitution, and within these structures colonial or semi-colonial relations are not discarded but are even strengthened and emphasized. In this respect, the so-called "bloc economy" represents not an economic structure advanced beyond the stage of capitalism, as is often said, but an economic structure most typical of that exclusive capitalism, or, indeed, a form of super-capitalism.

It is natural, therefore, that wherever such "bloc" economies have been imposed waves of discontent have arisen, the racial movement of India being an outstanding example. The United States is at present formulating a Pan-American economic "bloc" and some of the recent movements in Latin America are nothing but a reaction against this new form of Dollar Imperialism. In all economic "blobs," insistence and emphasis upon the interests of the central countries are the outstanding characteristics.

The second point to be noted is that "bloc" economies of this type give little or no consideration to the geographic or historical relations of their component elements. Of this, the British Empire's "bloc" is a most conspicuous instance. The British "bloc" was formed simply by combining the regions which were settled or conquered during the phases of British Imperialism over the last two centuries. The area embraced is widely dispersed; no attention is paid to the close relations which some of the Dominions enjoy with other countries, such as those between India and Japan, Australia and Japan, and the United States and Canada. In such combinations there is little of that community of sentiment which springs from geographic proximity or from a common destiny. And in the case of the British Empire, some of the component

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elements represent only continuations of the relationships that were the outcome of armed Imperialism in the past.

Under Japan's proposed new order for East Asia the glaring defects of the present-day "bloc" systems will be avoided, and inter-relationships among the component elements will be upon a mutually advantageous economic basis. Five principal considerations will distinguish the new East Asiatic unity from other modern combinations. (1) The economic structure will represent economic relations among geographically contiguous areas. (2) The combination will not be for the purpose of one-sided exploitation or profit, but will aim at the development of co-operative economies based upon reciprocal and mutually-beneficial advantages. (3) Individualistic capitalism and egoistic centralization will be rectified, eliminating that selfish nationalism which moulds relationships to the single purpose of material exploitation and produces international anarchy. (4) This process of rectifying the old order will be achieved by projects planned and undertaken by the component members of the economic union from their respective standpoints, not from the standpoint of the controlling Power as in the present-day economic "blobs." (5) Following these organizational lines, foreign trade, finance, investments, and economic development are to be planned from a collective standpoint and controlled with regard to the major operations of the whole structure. An inter-regional economic organization of this kind will effectively put an end to those national and international conditions of unrest which even the "bloc" economies have failed to dispose of successfully.

Japan now proposes to bring forth such a combination of countries in East Asia. It will, of course, have its political phases, but its essential make-up must be economic. The new combine will not embrace the whole of East Asia, and it is indeed deplorable that all of those areas with their enormous populations should remain under the alien rule of the West. In actual practice, the East Asiatic combine will include Japan, Manchoukuo, and China. Due to present war conditions in

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China, however, the entire area cannot be included. Nevertheless, the territory east of a line from Sian in the north to Hainan Island in the south will form the initial unit upon the consummation of the present military campaign. This area, along with Manchoukuo and Japan, has excellent possibilities of forming such a union due to its close economic relationships with the other two countries. A number of important economic considerations clearly demonstrate this degree of interdependence.

In the first place, Japan, Manchoukuo, and China are each at different stages of social and economic development. While Japan has advanced from the agricultural to the industrial stage, the other two countries are still pre-eminently agrarian and raw material producers. Under these circumstances, there should be little difficulty in co-ordinating their economies with that of Japan. It may at once be said that countries of Europe and America also stand in the same relationship to China and Manchoukuo; and this is true, for they are likewise industrial countries. But in this connection, it should be pointed out that Britain, France, and the United States are the so-called "haves" as against the "have-nots" and their dominions extend over extensive areas rich in still untapped natural resources. Their investments in China are mostly in the form of commercial enterprises and rarely in undertakings for the development of unworked material resources for their own needs. In this respect, their position differs materially from that of Japan. Investments of Japanese capital in Manchoukuo and China are made for the purpose of developing resources which Japan herself lacks, and the profits derived from such enterprises are in a larger degree redistributed throughout the three countries in the form of new investments, trade, and general business activity.

At present Manchoukuo is still in an initial stage of industrial development. China, because of her internal complications, still lacks any form of centralized authority and stability which are the prerequisites to any economic develop-

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ment. Such being the state of affairs in those countries, it is but natural that Japan, with her power and ability, should assume the leadership. But, needless to say, leadership in this case does not imply a relationship as between ruler and ruled, but the actual leading of others by judicious counsel, thoughtful study, and practical assistance.

The new East Asiatic combine will not aim at the formation of an area exclusive in purpose or inaccessible to others. It will be an area in which closely mutual political and economic relations prevail among its component parts, but at the same time it will remain freely open to all countries which would participate in its trade, enterprise, and finance for the development of the area, not as colonies or semi-colonies, but as one independent entity.

Since this new combine will plan for collective and joint development in the realms of politics, economics, and culture, it cannot possibly be a defender of the *status quo*. It will be progressive because it will aim at a new goal, and because it means to be progressive it must be endowed and equipped with the power to combat and overcome any force that would oppose its progress.

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KOISO, THE MAN AND HIS POLICY

By TOKUZO KOMAI

IT was in 1911 that I went to Manchuria. The following year Captain Koiso arrived at Port Arthur to serve as a staff officer under General Yasumasa Fukushima, then Governor of Kwantung Province. The Governor had definite and independent views on China. Speaking of those remote days with that freedom which the elapse of years may perhaps permit, the upper quarters of the authorities were not wholly in agreement with regard to the outlook on China. As is quite natural in dealing with such an intricate and important problem, two extremely opposite views prevailed along with a number of intermediary opinions. One attitude was that the Kuomintang under the leadership of Dr. Sun Yat-sen should be given encouragement, since both China and Japan would greatly profit if it became the central government of China and stabilized the country. On the contrary, others held that since Japan was a monarchy, China, too, should likewise have a similar form of government if the two countries were to unite in friendly collaboration. General Fukushima was a strong advocate of this view. At Port Arthur he guided Japanese policy in Kwantung and Manchuria, and under his direction and personal influence Captain Koiso began his career. The Captain is now General Koiso, Minister of Overseas Affairs in Baron Hiranuma's Cabinet.

It is not surprising, therefore, that General Koiso's mind today bears the deep impressions of the experiences and associations of those days at Port Arthur. General Fukushima often went on tours of inspection as the Governor-General of Chosen does at present. On such occasions I seldom failed to receive an order to accompany him as an official of the South Manchuria

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Railway Company. Captain Koiso was invariably present, and thus we used to fall in company. As night came we were often summoned to the General's presence to hear him talk on subjects close to his mind. He was indeed eloquent as he unbosomed his thoughts on how China should be helped to her feet and what, as a preliminary condition, should be done with Manchuria. All that we heard deeply impressed our young minds, and those were lasting impressions as Koiso advanced in his military career. As the years passed our minds were alive with the thoughts of which, at length, the settlement of the Manchurian question, the birth of Manchoukuo, and the enthronement of the Manchoukuo Emperor were nothing but legitimate offspring. Koiso's convictions on the question of Manchuria were not unshared by his countrymen. There was Shunzaburo Komura who became a strong supporter of the Koiso school of thought. But later he suddenly veered and cast his lot with the Nationalist movement of China, and in doing so he went the way along which not a few Japanese had gone. But Koiso, unlike these men, remained unchanged in his outlook.

He is a most ardent nationalist, but a nationalist different from many others who are classified under this generic heading. In regard to Japan's diplomacy there is almost no end of discussion at the present moment. Opinions vary; some favour the Berlin-Rome axis; others decidedly lean toward the Democracies. General Koiso takes a clear-cut position on these issues. He holds that Japan, although never to be isolated, should occupy a pivotal position in all considerations and in all circumstances regarding East Asia. The most important question is to find the best formula to achieve this end. Any solution short of its attainment would only mean a repetition of armed arguments, and for this reason Koiso has advocated this policy not only with regard to China but with regard to European and American countries as well.

His emphasis on the need of co-operation between Japan and China is the result of sustained studies on the economic problems affecting the two countries. Over a decade ago he

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began to speak of the material resources of the Far East as the potential source of national security for all countries in this part of the world, if only those countries knew how to turn these resources to their advantage. In this connection, it is interesting to recall that he has long advocated that Japan's communications with the mainland should not be dependent upon shipping alone. It was he who first spoke of building an undersea tunnel between Shimonoseki and Kyushu, and he likewise brought forth the plan for the construction of an undersea passage to the continent. This formed part of his economic project by which the material resources of East Asia should be developed, and Japan, instead of remaining in her insular position, should work together with Korea, Manchuria, and China.

Much has been heard of "Asia for the Asiatics" and kindred policies or ideologies. In a way, Koiso subscribes to such doctrines, but he is at the same time far from being an exclusionist, for he knows that Japan, or even East Asia, cannot live apart from the world. Like many others, the General has at times indulged his fancy with excursions into the realm of abstraction, but he never fails to keep his feet planted in the soil of reality.

China at present is not a monarchy, but there are a number of people both in China and Japan who sincerely doubt if the republican form of government is suitable for that country. It would not, therefore, be surprising that, after so many experiments with various types of government, China should again return to some form of a monarchical system. Nor would it be surprising at all if Koiso shared such views, considering his intellectual background. Is it not because this idea persists that some have turned to Wu Pei-fu and others to Wang Ching-wei as representative of the type of leadership that China needs? As a rule, the republican form of government seems to appeal to those who have been educated in Europe or America. They think, therefore, that if such a form of government is good for other countries, it is also good for China, but the recent history of that country has demonstrated the utter impracticability of

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republicanism. It seems not improbable that the conception of party government and politics is not congenial to the Chinese mind, and I dare say that the destinies of the Chinese people are more likely to be realized by a form of government in which they can place their unquestioned acquiescence. At any rate, in her present chaotic condition, China and her people, even if left alone to themselves, would be quite unequal to the task of achieving political stability under any form of government. The unparalleled advance of Manchoukuo under Japan's guidance may be indicative of what might be expected in China, and General Koiso's associations with the progress of the former might also be a good indication of his attitude toward China's future status.

I know Koiso so well that I think that if he had followed a political career from the outset he would have climbed the ladder more quickly. I can hardly speak too highly of him as a man. He is gifted with a very high order of intellect, as shown by his proficiency in scholarly pursuits. What is even more important, he has a remarkable asset in his personal magnetism. As he rose in rank and name, he has always remained the same man, as unconscious of his importance as ever, and to his friends he has always spoken, whether as a captain or as a full general, one and the same language. I have never known Koiso to flinch from assuming responsibility, and yet his stern sense of duty has not robbed him of a kindly generosity that comes from a big heart. As illustrative of his Spartan-like conception of duty, I recall an incident that occurred when he was Chief of Staff of the Kwantung Army. One of his children suddenly died and General Mazaki of the General Staff in Tokyo asked me if it would be advisable to call Koiso home. Instantly I counselled him against such a move, for I knew too well that Koiso would never allow his personal considerations to outweigh his official responsibilities. Koiso reacted exactly as I had predicted, and did not return to Tokyo until he was summoned by General Mazaki to a General Staff conference in the capital. I have known more men than one who pass for states-

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men, and I know that some of them make themselves out as the acme of importance, but their minds are generally capable of things the size of which is in inverse proportion to the size of their windbags. But Koiso is a far cry from this type of self-styled statesman.

General Koiso comes from Yamagata Prefecture, although he has few of the local characteristics with which the people of that part of the country are generally identified. As a rule, Yamagata-ken has turned out men of uncommon intellectual capacity, such as the late Hachiro Kiyokawa, Shumei Ohkawa, and Kwanji Ishihara, to mention but a few. People from that province, however, are seldom known to be cheerful, a trait conspicuous by its absence in Koiso. It is quite possible that he did not feel the local influence so much as some others, for his father, being a civil servant, moved his family from one post to another. Through these frequent migrations the younger Koiso early outgrew the local stamp to become more of a national character. He has devoted considerable study to philosophy, especially in the Wang Yang-ming school, the same school with which men like Seitoku Yasuoka and Shumei Ohkawa have been identified. Koiso is both a voracious reader and a past-master in the art of penmanship. In writing ideographs with a style all his own he has few equals and exceeds the ability of many a professional artist. Of the Chinese language he has some knowledge, not much, but enough to make him an intelligent listener. And above all, he is gifted with a rich stock of spontaneous wit.

Koiso's public career in Korea, once as Governor-General and later as Commander of the Garrison, was not always attended with self-satisfaction, particularly when he was serving in the latter capacity. His greatest disappointment came when he found his voice unheeded in the council chamber with regard to the present campaign in China. Apart from strategic and tactical discussions in the council, which for obvious reasons cannot be disclosed, Koiso's views failed to carry the day. Yet he knew how to keep his thoughts to himself after his counsel

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was unheeded, but his disappointment must have been the deeper for the patience with which he bore himself through those days. It might be added that, had his views been adopted, it seems to me that the present hostilities in China might have ended before now. At an early date he had sounded a warning about China. He felt certain that China would strike back after what had taken place in Manchuria. In view of this, he held that Japan should be forearmed. Nevertheless, his view was opposed, the council adhering to their thesis that China should be left alone as much as possible since an eye had to be kept upon Russia. General Koiso, on the other hand, maintained that the Chinese situation demanded immediate attention and should be disposed of within the limits he had outlined. But the uncertainty of Russian activity so preoccupied the minds of the council that potential problems in the north received attention while the campaign in the south was allowed to develop into a prolonged affair.

In the early stages of the China campaign I returned to Japan and laid my ideas before a certain general. I emphasized the need and importance of fixing the limits of the campaign which was then under way in the direction of Suiyuan where the Kwantung Army should have been sent out to cut off the route of communications with Soviet Russia. The army should then have consolidated its position on that line and awaited developments. If this tactical plan failed to prove sufficient to terminate the argument, Japan should then have taken possession of Canton and Hainan Island. Incidentally what I had in mind proved to coincide with what General Koiso had proposed. The general in question, however, had another plan by which operations would not be extended even as far as Peking or Tientsin. After giving the Chinese units in the north a mild chastising, all Japanese forces would be withdrawn into East Hopei, even away from Peking and Tientsin, on condition that East Hopei be recognized as a special area. With this much accomplished, Japan should try to re-establish friendly relations with China. Prince Konoye would visit General Chiang Kai-shek and endeavour to come to a personal understanding. The adminis-

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tration of East Hopei would be difficult enough, and I was to handle the situation there to the best of my ability. I took exceptions to the general's views. I insisted that the situation had passed beyond the stage where such a procedure was possible. The size of the armed forces already involved in the conflict was too large to effect such an easy settlement. And subsequent events proved this contention.

In the first place, China was in no mood to discuss any kind of settlement. In the second place, the Chiang Kai-shek government, under the influence of the Chinese Communists, had already committed itself to an outright fight-Japan campaign. And in the third place, the Chinese were determined, by precipitating added friction in the Shanghai area, to extend the scope of hostilities as far as possible in the hope of financially exhausting Japan and at the same time of forcing Japan to become embroiled with the Western Powers. In view of these developments, the China affair must now be said as having completely departed from the directions it might have assumed, had Koiso's counsel prevailed, and today Japan finds herself in a position where she is compelled to rebuild all of China upon a new basis. Despite the fact that General Koiso's former counsels were rejected, he still has positive ideas about the future of China, and time may yet see them realized.

THE COLONIZATION OF MANCHOUKUO

By TEIJI TSUBOKAMI

IN dealing with her ever-increasing population Japan owes not a little to the United States of America. For example, there is the great part played by Dr. Horace Capron, a bureau director in the American Agricultural Department, who, shortly after the Meiji Restoration, came to Japan to act as adviser to the Colonial Commissioner for Hokkaido. At that time the Japanese people were eagerly demanding the development of that northern island, and Dr. Capron, from the time he came to Japan in 1871 until he left in 1875, played a most considerable part in it, and its present prosperity is largely due to his rich knowledge and experience. It was at his suggestion that Sapporo became the prefectural capital of Hokkaido and that the agricultural school, now the Imperial University of Hokkaido, was established there. His name is still remembered by many Japanese as a great benefactor of Hokkaido.

Also for many years the United States provided an outlet for the Japanese whose population was rapidly increasing at the rate of one million a year. Although this outlet was stopped by the Gentlemen's Agreement of 1907 and the Anti-Japanese Immigration Law of 1924, the Japanese remember with appreciation all that America has contributed to the mitigation of her population problem.

But the Japanese population question has now entered on a very different phase. Japan no longer is likely to cause annoyance either to the United States or its neighbours with her surplus population owing to the new opening that has come

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through the construction of a new order in East Asia. At the most, she may have occasion in the future to enlist American technical co-operation in her schemes for overseas colonization and development.

As a sequel to the creation of Manchoukuo as an independent state in 1932, Japan and Manchoukuo have adopted a 20-year plan for the settlement of one million families of Japanese farmers in that country, and it is now in full swing. This, together with the development in North, Central and South China, where, with the co-operation of Japan, a new order is arising in East Asia, should suffice to account for the surplus of Japan's rapidly increasing population. The Japanese immigrants to China, however, will consist mainly of traders and artisans, whereas for a considerable time yet, it is Japan's surplus agricultural population that will be absorbed by Manchoukuo. It happens that one of the most vexed questions that has disturbed the long friendship and close co-operation between Japan and the United States is the unlimited entry of Japanese agricultural labour. Therefore, with the absorption of Japan's surplus agricultural population by Manchoukuo now assured, this embarrassing issue will naturally fade out of the picture and a new and better situation between the two countries will arise.

With Japan's emigration now shifted from the American continent to the Asiatic mainland, there has also appeared a new conception of emigration, not only in regard to the regions settled, but in the quality of the settlers themselves. But before dealing with the object of Japanese colonization and the development of Manchoukuo, it would be as well to dwell for a while on the construction of a new order in East Asia, which forms the ultimate objective of the present struggle in China. This new order embodies a Monroe doctrine for East Asia as laid down by a Japan that has not merely put her own house in order but, through the medium of her own culture, has greatly increased her national resources.

Yet the new order, as advocated by Japan, differs from the American Monroe Doctrine. In the first place, it is mainly a

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moral bond that links together the co-operating members of this new *bloc*. Secondly, the new order seeks to revive and express the centuries' old culture of the Far East in accordance with present needs. Last, but not least, a most important feature of the new order is the combination of the individual independence of the member countries with their co-ordinated co-operation in mutual defence and economy. On Japan especially is laid a heavy responsibility since, side by side with constructing a new order, she has to act as leader of the anti-Comintern camp in this part of the world.

Thus, there is no precedent anywhere for the peculiar relationship between Japan and Manchoukuo. History shows that hitherto the relations between countries have been marked with antagonism and subordination, struggle and exploitation, victory and submission, whereas between Japan and Manchoukuo the relations are those between brothers, blood relations, inseparable, and transcending all considerations of interest. This is no mere figure of speech. The people of Japan and Manchoukuo actually are kith and kin, belonging to the same yellow race. Japan and Manchoukuo are as elder and younger brother respectively, and as such a family relationship involves, goodwill marks the dealings of the one and the response of the other. A priceless characteristic of Oriental morality is the responsibility of the elder member of a family to support, nurture and love the younger, who, in turn, owes a debt of respect, dependence and service to the elder. Such is the basis of the close relations between Japan and Manchoukuo, and it is well expressed in the following words from the rescript of the Emperor of Manchoukuo:

We and the Emperor of Japan have one mind between us. We hereby request the people of Manchoukuo to remember this and to place the relations of Manchoukuo and Japan on a firm basis and to give the fullest expression to the real meaning of Oriental morality by their close and harmonious co-operation with the Empire of Japan.

The relations between the two countries are not those of a mother country and its protectorate or dependency. Japan

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has no intention of carrying out anything like an aggressive colonial policy in Manchoukuo in the manner of a suzerain. Instead, in the spheres of finance, economics, politics, defence, culture and police, Japan is giving powerful and extensive help. She has renounced her extraterritoriality, abolished most of her consulates, solved the long-standing problem of commercial leases, concluded a customs agreement and undertaken a large share of the national defence; all with the object of contributing to Manchoukuo's independence. Japan intends that Manchoukuo shall be set free from the militaristic domination to which its people have been so long subjected and become a country not only safe for the people of Manchoukuo to live in, but also for those of Japan, Korea, Mongolia and other countries. Finally she expects Manchoukuo to provide a bulwark against the Red menace both for herself and the other nations of East Asia.

This younger member of the family is well fitted to provide comfortable homes of different kinds for various peoples. There Japan intends to settle a million farmer families in the next twenty years, whose mission it will be to strengthen the inseparable relations between the two countries, by aiding Manchoukuo in her economic, cultural and military advance. Economically, the Japanese settlers will introduce their rich and advanced agricultural technique and their habit of industry to the Manchoukuoans so as both to raise their standard of living and to increase the quality and quantity of the agricultural produce of the country. Culturally, the Japanese, who are of the same race as the Manchoukuoans and use the same script, should effect a great moral and material improvement by introducing their own highly developed culture, as well as by inculcating the Japanese conception of the new order in East Asia and by strengthening the already existing bonds of co-operation. Militarily, the joint national defence undertaken by Japan and Manchoukuo should make that country a powerful bulwark against the Red menace, while the Manchoukuoans themselves in time will, under the inspiration of Japan's unique

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military strength, become good soldiers quite capable of putting up a fight against that peril.

If Manchoukuo is ever to fulfil her destiny adequately as a unique composite nation, she needs the superior qualities of the Japanese. Her very situation, looked at internally and externally, demands the presence of Japanese both as the nucleus of Manchoukuo's national activities as well as of the concordia movement of the various people who make up the nation. Such is the mission to be fulfilled by the Japanese settlers there.

Emigration scarcely describes exactly what is now going on in the colonization of Manchoukuo, since that word implies that those who migrate are actuated by a desire for gain or are driven by the pressure of poverty, as was the case, for instance, with most of those million Japanese who have emigrated to North and Latin America. But this 20-year plan for the colonization and development of Manchoukuo, adopted jointly by Manchoukuo and Japan, is not so much concerned with money-making as with establishing a million Japanese farming families there as their second home. For this reason, these Japanese are not called emigrants, but *kaitakusha* or *kaitakushi* (pioneer settlers). The word colonist also has been avoided because it smacks of the aggressive exploitation of an Imperialist power toward its colony or dependency.

There was at first a good deal of scepticism regarding the success of this great experiment; and indeed it was faced with many considerable difficulties. The climate of Manchoukuo is much cooler than that of Japan, while the lower culture and standard of living could well involve the Japanese settlers in social and economic disadvantages. Difficulties also sprang up in the establishment of clinics, educational institutions, welfare centres, financial institutions and markets for the disposal of the farm products, since the authorities concerned scarcely knew in what way to establish them so as to encourage most effectively the progress of the scheme.

That eventually these initial difficulties, real and imaginary,

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have been overcome and the programme set on a fair way to success, is due to two main factors. One was the adoption of mass settlement and the other, strict training. It is easy to imagine that, if the Japanese settlers had been scattered in groups of two or three among the natives they might well have been forced down to the lower culture and standard of living around them unless they had worked considerably harder than the natives. But if they are settled in communities of 200 or 300 families, this will enhance their *esprit de corps* and give them a greater sense of security in, and attachment to, the land of their adoption; while they will be able to build up a cultural community on the basis of a co-ordinated and comprehensive use of their agricultural technique, funds and other resources, both material and moral. Moreover, communities on this scale facilitate the provision of a joint patrol and defence system, clinics, schools and industrial associations, at a comparatively low cost. Nor will the benefits enjoyed be limited to the Japanese settlers but will be extended to the surrounding native population so as to raise their standard of living, to further the mutual relationship and prosperity of Japan and Manchoukuo, and so to increase the sense of harmony among the various peoples established there.

After careful selection, these mass settlers are subjected to strict training, over a period of one month for ordinary settlers but twelve months for candidates for leadership, to eliminate individualistic ideas and inject the spirit of communal co-operation, before they are entrusted with the task of building up new villages in the land of their adoption. By such methods have the apparently insurmountable difficulties of colonizing Manchoukuo been easily overcome.

In addition to mass settlement and strict training, the Governments of Japan and Manchoukuo have been of great assistance by the sympathetic and thoroughgoing manner in which they have extended guidance, planning and subsidies.

In 1936 the Government of Manchoukuo decided to place 10,000,000 out of 30,000,000 hectares of virgin soil at the

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disposal of the Japanese settlers, and farm lots were established in various parts of the country. The following year saw an agreement concluded between Japan and Manchoukuo, under which a public service corporation styled the Manchuria Takushoku Kosha (Colonization Company) was organized to conduct such business as acquiring land for the Japanese settlers, controlling and ceding it and furnishing the necessary finance and subsidies. It is a semi-official concern, capitalized at 50,000,000 yen, of which more than one-half is subscribed by the two governments concerned. The bonds issued to raise the necessary funds carry both governments' guarantee of service, and thus the corporation may be described as an agency of the Manchoukuo Government. In this capacity the corporation, in co-operation with the two governments, carries out a survey twice a year over likely districts for Japanese settlement. Lots thus found suitable are purchased by the corporation and already total 9,000,000 hectares in area.

While preparations in Manchoukuo are thus pushed forward vigorously, the campaign for recruiting settlers is systematically pursued in Japan by the Government in co-operation with provincial authorities by means of lectures, cinema shows, pamphlets and newspapers. Only suitable candidates are selected, and they are then organized into groups of 200 to 300 families, as far as possible from the same districts.

Each group is under the direction of five leaders who control agriculture, live-stock raising, patrol and health, and who are selected and paid by the Government. Each family of settlers is subsidized to the amount of 1,000 yen, which means that the Government subsidizes a group of 200 families to the amount of 200,000 yen, which, with the exception of amounts from 80 to 240 yen handed to each family for travelling expenses, is entrusted to the five leaders of each group for safe custody. A certain proportion of this is appropriated to the cost of erecting community offices, a shrine, hospital, industrial association offices, school and other public buildings for the community, while the remainder is handed to each family on

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arrival in Manchoukuo at the rate of about 600 yen each for making the necessary installations on the farm.

Building materials and provisions for the use of the settlers are made ready beforehand by the Manchuria Colonization Company, which also gives the settlers guidance and assistance in building their homes, reclaiming land, constructing roads and establishing irrigation, as well as in supplying them with seeds and live-stock, and in giving each family credit to the amount of 2,000 yen. Besides this, the company also watches over the future activities of the settlers. Such official assistance and guidance ensure the settlers' safe arrival in Manchoukuo and a good start in their new home.

The character of each settler and his unswerving loyalty to his object have also aided considerably, so that Manchoukuo now follows close on Japan, which is the most orderly and law-abiding state in East Asia, in the maintenance of law and order, although prior to 1931, when Japan served as midwife in the birth of the modern Manchoukuo, this country had been a mere outlying colony of China with 300,000 bandits ravaging it at their will.

In building up Manchoukuo the first thing to demand attention was the suppression of this horde of bandits. The arrival of the first groups of Japanese settlers coincided with the beginning of the organized campaign against banditry, 500 families coming in 1932. These were followed by another 500 in 1933, and a further 300 in 1934, and by 1936 there were altogether 1,800 families of Japanese settlers in Manchoukuo. Accordingly, the first period of settlement, when law and order had by no means been completely assured, must be regarded as experimental. Of the earliest settlers, one group received a baptism of fire the very day it reached its settlement, while yet another group suffered heavy losses from fighting with bandits. This was indeed an unfortunate beginning, but these Japanese proved indeed to be worthy of the name of pioneer settlers and with grim determination and courage faced the dual task of establishing a home and defeating the forces of disorder. They

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were, of course, seconded in every possible way by the Manchuria Colonization Company, and in 1937 the complete success of the plan for colonizing and developing Manchoukuo was so thoroughly assured that the governments of the two countries were able to approve of the 20-year plan for sending 1,000,000 families of Japanese farmers to settle in Manchoukuo. For this the two nations owe a profound debt to the self-sacrifice so courageously made by the earliest groups of settlers. More than that, the experience of these early settlers provided valuable material for formulating the principles of agricultural development and community life contained in the 20-year plan.

For instance, the experience of these pioneers showed clearly the futility of carrying on agriculture for commercial products in Manchoukuo in the same way as in other agricultural countries, including Japan, owing to the exceedingly low production costs of the native farmers. Miserable failure would attend any efforts to compete with them in growing the same commercial products, and accordingly the Japanese colonists, instead of aiming at profits, operate on a basis of making themselves self-supporting by devoting the greater part of their attention to the growing of rice and other cereals which form their staple food. By ensuring the storage of a year's rice supply, they safeguard their living; and, after that, they have turned to the manufacture of rice wine, soy, *miso* (bean-paste) and tobacco, for which purpose, community processing plants have been installed. Furthermore, they have gone in for raising sheep, pigs and cows to assure themselves of meat, milk and clothing materials, and in this connection community live-stock markets have been established.

All the Japanese settlers are living this community life, the group or community forming the basis of all their farming, housing, food and clothing supply, each family having a farm of the same size, namely 10 hectares. Having experienced the bitterness of exploitation at home, they set themselves against a similar experience in these new farming villages, not only between the settlers themselves but also between them and the native

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farmers. They recognize neither landlord nor tenant, but are all small-holders, zealously running each his own 10-hectare farm.

Having firmly established themselves on the basis of self-sufficiency, they next turn their attention to barter, since each family has a surplus of farm products to dispose of. The plan they have adopted is to exclude all intermediaries and to sell the entire surplus stock of each community direct to such consumers as the army, hotels, and hospitals at profitable prices. So each community has its own association for this purpose, which also is able to make mass purchases of goods for the community at reasonable prices. Sometimes the services of the Manchuria Colonization Company are employed for making these mass purchases, which annually exceed two million yen in amount. Past experience has taught these settlers how to save themselves from capitalistic exploitation.

Such communities are now to be found everywhere in Manchoukuo, marked with the flags of Japan and Manchoukuo flying over them as if to bless this new development. Usually, Manchu farmers take up their quarters around them, mingling with the Japanese in such a way that their own standard of life is elevated.

At present there are 135 groups of Japanese settlers, consisting of 14,000 families. Including all the younger members, the total number of Japanese settlers is 45,000, of whom practically none has returned to Japan.

Considering the forebodings that were felt by many at the start, it is indeed a matter for congratulation that the colonization and development of Manchoukuo has taken such great strides within seven years that we can confidently count on the complete success of the 20-year plan. The vast tracts of virgin soil in Manchoukuo are according a most friendly welcome to the sturdy Japanese farmers with their superior agricultural technique, and from their efforts a new culture is arising. Ere long they will have erected a great monument of peace and a new order of things for East Asia on the plains of Manchoukuo.

UKIYOÉ ARTISTS

By SEIICHIRO TAKAHASHI

IT might be said that the first partial and comprehensive studies of the Japanese wood-block print were pursued by Western students of art, among whom may be mentioned Edmond de Goncourt, H. Revon, Julius Kurth, Ernest Francisco Fenollosa, Laurence Binyon, Louise Norton Brown, A. D. Ficke, and Edward F. Strange. More recently Japanese themselves have shown a greater interest in *ukiyoyé* and a number of excellent works dealing with this subject have resulted. Most writers, both Western and Japanese, have overlooked the social and economic position of the *ukiyoyé* artists which is prerequisite to a true understanding of their work.

Contrary to tradition, *ukiyoyé* was not first created by a feudal artist of the dignified name of Katsumochi Matabei-no-Jo Iwasa, an orphan of Murashigé Araki, Lord of Itami Castle in Settsu Province. This comparatively new art, the product of a *chonin*, or townspeople's environment, was first formalized by Moronobu Kichibei Hishikawa, an embroiderer's son, born in Hoda-mura, Heguri, in Awa Province. While engaged in his father's business, Moronobu spent his leisure hours studying the painting of the Kano and Tosa schools. According to the *Yedo Zukan Komoku* (An Illustrated Guide to Yedo), published in 1689, we find the names of Moronobu and Morofusa, his eldest son, in the section on the *ukiyoyé* artists, coming next to the section on the Painting Bureau. If Masunobu Dōun Kano and others who were ranked in the *Yedokoro*, or Painting Bureau, were artists of the Shogunate whose highest salary was two hundred *koku* of rice with certain additional allowances, it might be said that the *ukiyoyé* artists were ordinary artisans who lived

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by job-work in wretched accommodations. If the former were high-class painters to the Shogunate, the latter were popular artists who found their customers among the newly-risen chonin of the towns. While the officially-recognized artists devoted their attention to flowers, birds, and landscapes, these creators of a new art turned to the mundane scenes of their environment, especially the inmates of the gay quarters and the theatrical profession. The former went no further than studying and imitating old masters, while the latter went out into the world and tried to grasp the reality that lay there.

Moronobu's greatest contribution to ukiyoyé art was the one-piece coloured pictures, with outlines in black, which originated in the old process employed to illustrate books. The exact date of his coming up to Yedo is not known, but it was possibly after the Great Fire of the Meireki era in 1657. It is said that this great fire destroyed from five to eight hundred streets during which over one hundred thousand lives were lost. All the objects of civilization in the early Yedo period, which had been transplanted from the Kyoto and Osaka districts, went up in the smoke of this great conflagration. Those who suffered the greatest loss were the people of the feudal classes, while those who enjoyed the greatest profits from the city's reconstruction were men of the mercantile class. With a state of peace prevailing and with ample opportunities to make money, this chonin class was able to know what pleasure was. They could now afford to appreciate something of art, and there was a demand for the cheaper sort of works which were more becoming to their status in the social structure. They developed a particular interest in those cheap paintings which could easily be purchased after the Great Fire. How many of those one-piece pictures were sold, produced by Moronobu through his modest but lovely art of wood engraving!

These coloured pictures with outlines in black—so inexpensive that they could be purchased for about five *mon* each—remained in vogue among the townspeople of Yedo until the beginning of the Kyoho era (1716-1735). Thereafter the *beniyé*



Playing the Daimyo's Procession, 1769 (?) (One of the numerous children's pictures which the artist fondly painted)

By Harumobu Suzuki

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and the *urushiye* began to gain popular favour. The *beniyé*, literally "rouge picture," is one painted in glaring rouge, while the *urushiye*, or lacquered picture, is a glossy one painted in black ink mixed with lacquer. The artist who played the most active part in this period was Masanobu Shinmyo Okumura, who styled himself a painter of poetical and elegant taste. Each of his pictures bears his signature, "Genuinely painted by Masanobu Okumura, Japanese painter." He was an artisan, proud of his occupation and conscious of his artistic talent. At the same time, he was a wholesale dealer in *beniyé* and *yezōshi* (illustrated story books). At first he painted for the Yémiya in a by-street before Shimmei and later for Kuribara-cho in Hasegawa Street. Before long, however, he opened his own shop, and hung up a notice reading: "Please buy genuine Okumura pictures," lest imitations of his work should appear on the market.

As the demand for *urushiye*, the lacquered pictures, increased remarkably, the art of applying the ink and lacquer deteriorated. Moreover, in order to produce large quantities, coloured wood-engraving was used and rouge-printed pictures gradually took the place of the older black-outlined coloured prints.

Ukiyoyé art suffered considerable interference and pressure under the thrifty policy of the eighth Shogunate, Yoshimuné's, but there was a marked revival when Okitsugu Tamura became Prime Minister to the Tokugawa over-Lords and state control over the every-day life of the people slackened. Colour-prints, first in only two colours, had reached the five-colour stage of development and then became *nishikiyé*, or brocade pictures, in the Tanuma period. If the simple *beniyé* was indeed the product of the thrifty policy of Shogun Yoshimuné, the gorgeous brocade-like *nishikiyé* was truly the symbol of the lax times of Tamura. The production of *nishikiyé* was not originally intended for the appreciation of the general public. It differs considerably from the ordinary *beni-zuriyé*, or rouge-print. Paper of the best quality and expensive pigments were used, and such processes as *kara-zuri* and *kimekomi* were introduced. A

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nishikiyé was thus something of a luxury, the patterns of which resembled those of brocade.

This type of picture first originated in a sort of competitive amusement pursued among the leisured and propertied classes of Yedo. A group of friends would assemble and exchange illustrated calendars which were elaborately designed and printed, competing with one another to determine whose calendar was most excellent. At the request of such indolent individuals, Harunobu Suzuki, the genius of his age, produced *nishikiyé* in the second year of Meiwa (1765). These prints soon became a source of profit to clever merchants. Their production passed into the hands of publishers who were out to make money, and they naturally sought to cater to the demands of the general public. Thus there was a strong tendency to make them in greater quantity and to reduce their cost. According to Keio Yamada's *Horeki Genrai Shu* (Actual State of Affairs in the Horeki Period), pictures of actors printed on *nishi-no-uchi* sheets cut into three leaves were eight mon each in the Temmei era. Those printed on *nori-iré* sheets cut into three leaves were on sale at two or three mon apiece. *Nishikiyé* prints were produced by simple artistic methods, but under a complicated system of labour division which was unified by commercial capitalists called wholesale *jihon* dealers. Such pictures were the inexpensive industrial products of an art with its centre at Yedo and were distributed over all Japan beyond the feudal boundaries which divided the country.

Nishikiyé prints are composite works manufactured by artists, wood-engravers, and printers, varied handicraftsmen working under the supervision of the wholesale *jihon* dealers, or publishers, who also controlled distribution and sales. Ukiyoyé prints had already become noted as a typical Yedo product and were in demand throughout the country. They were found even in the remotest districts, and also were listed among the merchandise for foreign trade at Nagasaki. Utamaro Kitagawa's *nishikiyé* enjoyed a particular vogue, and great numbers of his prints were ordered by the Chinese merchants.

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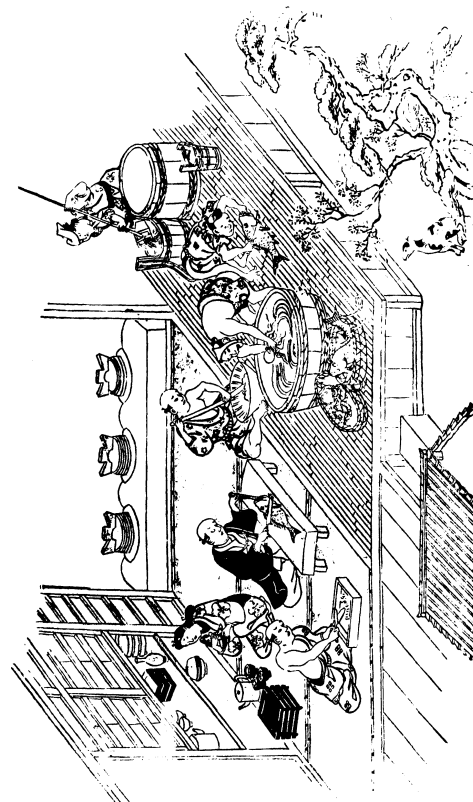
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Such craftsmen as painters, engravers, and printers fell more and more under the thumb of the commercial dealers. Only a few famous artists of great skill were able to command comparatively large fees from their clients. For the most part, however, the artisans and workmen of Yedo were motivated by a spirit peculiar to their class. They took special pride in the fact that they did not keep their money overnight. There is a short, satirical verse which sums up this contempt for parsimony which became the hallmark of urban sophistication:

*Yedokko no
 Umaré sokonai
 Zeni wo tamé,*

which might be translated, "Only a depraved son of Yedo would save the money he earns so hard." Even well-paid painters succumbed to the spirit of the age, squandered their money in the gay quarters as fast as they made it, and always lived in straitened circumstances. Even some of the best were at the mercy of the publishers who acted in the rôle of financiers to these reckless individuals whose tastes exceeded the capacity of their pocketbooks. Frequently when an artist achieved a measure of fame, his publisher pressed him to turn out more and more works. Thus many a potential Utamaro deteriorated under the pressure of his exacting overseer. Even Utamaro, an arrogant and self-confident genius who pushed the art of colour printing to new heights, had degenerated to something of a hack artist by the time of the Kyowa and Bunka eras, undoubtedly because he was forced by his publishers to produce too many works.

As Mr. Yosaburo Takekoshi, the distinguished economic historian, has truly stated, the period of three hundred years during which the Tokugawa Shogunate administered the affairs of Japan was, in a sense, nothing but an era which produced the chonin who eventually overthrew the political privilege of the samurai class by virtue of their wealth. Under the system of military feudalism they established a kind of economic feudal structure, and the chonin indeed became the



Kitchen in a Yoshiwara Restaurant, 1679. (One of the twelve pictures depicting the quarters)
 By *Moromitsu Hishikawa*

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economic aristocrats of their age. Like these economic parvenu, the publishers also combined and formed powerful associations to prevent new-comers from entering the field. In Yedo there were many shops where nishikiyé and yezoshi were retailed. They were indeed found everywhere in the city, but there were only eighteen houses where these pictures were produced, and of these, eleven were old-established firms, the other seven being of more recent date.

These wholesale dealers, ever eager for profit, frequently compelled their craftsmen to do hurried and excessive work. And while the publishers were absorbed in making money, the ukiyoyé artists were contented with mere stipends without making previous arrangements for fees. When nishikiyé were printed, the publisher would send the artist a small sum of money enclosed with a copy of the new print. The painter would respectfully place his meagre reward on the *kami-dana* (God's shelf), a shelf for the Shinto tablets, and if he needed the money, he broke the cover open. Hokusai Katsushika, a painter of as international fame as Utamaro, worked for seventy years from the An-ei to the Kaei eras. With his characteristic energy he painted everything—showmen's picture sign-boards, puppet-play posters, and what not. Nevertheless, he always left himself under the control of the exacting publishers and was never able to rise from the extreme poverty which haunted his long life.

In his *Mumeiō Zuibitsu* (Stray Notes of a Nameless Old Man), Eisen Keisai inveighs against the publishers of those days. "The publishers always overcharge for their works," he remarks, "and make light of painters and writers. They cannot know good from bad, buns from horse-dung or bean-paste from dog's excrement. They think that musk is cattle's dung." But he himself was helpless before the power of capital. "If the horse of a publisher does not heed your 'whoa' and 'get up,' then you have nothing else to do except cry to yourself *konchikusbo* and continue on in bondage of his gold and silver." It was said in those days that a short cut to money-

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making was to be a publisher of yézoshi. A novel-illustrator at first received one hundred mon for a picture, but Shigemasa Kitao began with two *momme* and later received as much as five hundred mon. To illustrate "revenge stories," Hokusai and Toyokuni are said to have received one *bu* two *shu* for each picture. The more obscure artists, however, usually took their block copies from one publisher to another, and if by chance one of their pictures should be accepted, it would fetch only about three *tempo-sen*. Even Kuniyoshi Ichiyusai, one of the last great ukiyoyé artists, received such treatment in the earlier years of his career.

After achieving fame, Toyokuni Udagawa the First over-produced improvisatorial pictures. Pressed by the low and vulgar tastes of the time, he was compelled to lower his artistic standards, although he himself apparently remained unconscious of the corruption of his art. As a contemporary noted, "so many people visited his house to ask for his block prints that he did not have time enough to receive them all and was busy making excuses for the postponement of his promises." He was thus favoured with a comparatively ample income, so that he learned dancing, *naga-uta*, and *ji-uta*, and cultivated a particular fondness for wine. His most distinguished disciple was Hiuga-no-kami Ishikawa, Lord of Kameyama Castle. Painters of the Udagawa school maintained their prosperity up to the Meiji era.

Another ukiyoyé artist who perhaps even surpassed Toyokuni the First as a professional success was Kunisada Gototei, one of his disciples, who later became Toyokuni the Third. With unrivalled energy and a boundless productive power, he painted from the first year of Bunka (1804), when he was nineteen years old, until his death at the age of seventy-nine, leaving on his death-bed the following verse:

Note: Mon, the lowest denomination of the Japanese currency of the time, equals about 1 rin of the present system; momme about 10 sen; shu about 12.5 sen; bu about 50 sen; hiki, though varied according to localities, usually about 1.5 sen; and the tempo-sen about 8 rin. But in each case the purchasing power may be computed at about 10-12 times the present value.

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*Inochi-gé no
 Kireté kotoshi no
 Wakaré kana.*

(As I am getting old, my brush has worn out and I must take my leave.) His fee for a painting was ten mommé and three *biki* for a set of three pieces. While his fellow-artist Kuniyoshi received two shu for a set of three picture of warriors, Kunisada's three-piece picture fetched two or three bu a set. But towards the end of the Tempo era his work began to decline. He was not particularly conscious of his own art and frequently lamented that his nishikiyé were like handiwork rather than painting. As a matter of fact, when we look at one of his prints, we feel that it has the touch of an artisan's hand.

Hiroshigé Ichiryusai, the greatest landscape artist to adorn the decadence of ukiyoyé, produced eight thousand colour-prints during his career from 1813 to 1858, when he died at the age of sixty-two. It is not known how much he received for his work, but in one of the books about him, Mr. Minoru Uchida writes: "When *daiba* (forts) were built at Shinagawa, the workmen received *isshu* (one *shu*) each for their wages. In those days people called the forts *isshu*, and Hiroshigé's fee for painting was double such wages." His second wife, Oyasu, had been a house-maid to the Wakui family, one of the Yedo *junin-shu*. After her marriage to Hiroshigé she often called at this house with copies of her husband's nishikiyé for presents. She was always treated to wine and dinner and would often use the opportunity her visit afforded to solicit a loan. The lady of the house used to grumble, "Oh, Oyasu has come again. I'm put to it." Even such a great landscape artist as Hiroshigé the First, like many another artist of his day, was often pressed for money to buy *saké*. And he was fond of tipping with his wife, too.

After the Meiji Restoration the incomes of all leading ukiyoyé artists gradually increased. About the tenth year of Meiji (1877), Yoshitoshi Tsukioka, a disciple of Kuniyoshi, received only three yen fifty sen for a three-piece print; later,

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however, his fee rose to five yen. In October of the eighteenth year of Meiji (1885) the first part of "Tsuki Hyaku Shi" (A Hundred Views of the Moon) was published. This set of nishikiyé consisted of one hundred pieces, for each of which the artist received ten yen. In 1882 *Yéiri Shimbun* (Illustrated News) made a bid for artists, and another paper, the *Yéiri Jiyu Shimbun* (Illustrated Liberty News), engaged Yoshitoshi at a monthly salary of forty yen, and promised him the use of a jinrikisha with his family crest painted on the back. His salary was later increased to one hundred yen a month, and as a reward for his services, the proprietor, Kenzo Yoshida, father-in-law of Mr. Shigeru Yoshida, the former Ambassador to London, presented him with twenty shares of stock in the newspaper and a jinrikisha. At this point he started in amazement.

Yoshimuné Isshosai, of the same school of artists, had a son named Shujiro who later became a disciple of Yoshitoshi and succeeded his father as Yoshimuné the Second. When Shujiro was seven or eight years old, which was at the beginning of the Meiji era, Yoshitoshi one day, stroking the small boy's head the hair of which was tied into *tsumo-daishi*, said to him, "Are you going to be an artist, Shu, like your father? It's very interesting being a painter, but hard business, you must know. So all painters become bibblers." These words he spoke, it is said, in a sad grumbling tone.

If the making of ukiyoyé prints had not been controlled by the profit-minded wholesale publishers under a domestic industry system, and if most of the ukiyoyé artists of genius had been free from their exacting demands, this peculiar type of art might have developed into something of even greater merit and significance. Yet ukiyoyé is a product unique to Japan. Julius Kurth has ranked Sharaku Toshusai as one of the three greatest portrait painters of the world. His prints of actors in particular bring forth an idea of inexpressible uneasiness in the recesses of peaceful hearts. Some of them indeed possess the uncanny atmosphere of a devil. His *de luxe* mica-prints were produced only through the support of Dennai Miyako, proprietor of the

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Miyako-za (Miyako Theatre), for as mere merchandise they would never have paid a wholesale publisher to undertake them.

In any study of ukiyoyé prints and the artists, wood-engravers, and printers who made them, it is essential to understand the economic and social environment in which these artists and craftsmen laboured. As an object for chonin appreciation, ukiyoyé is symbolic of the moving forces which had begun to break down the feudal structure of old Japan. And in turn, the forces of this new capitalist economy conditioned the art process of this new medium of expression and the life of those who pursued it.

WAR AND BUDDHISM

By SHUGAKU YAMABÉ

DESPITE the fact that all progressive religions have placed peace above war, the world has been plagued with warfare since history began. Moreover, there are many examples, too numerous to enumerate, of peace-loving religions becoming powerful and waging war in the name of religion. We cannot, therefore, overestimate the peace value of religion. At the same time, it would be a mistake to conclude that religions have made no contribution toward peace. Somewhere between these two extremes one might find the true value of religion as a world force operating on behalf of peace.

The object of Buddhism, needless to say, is to bring peace to the world and enable individuals to lead a tranquil life. But the motive of its origin was derived from the painful reality in which sentient creatures fight one another in order to live. There are many records of the life of Sakyamuni during the period of his retirement from the world in his twenty-ninth year, but materials on his first thirty years of life are very scarce. Nevertheless, there are a few records in the many biographies of Sakyamuni which may be called his first observations on war. When a small boy, he was taken to attend the Ploughing Festival, one of the national ceremonies. Some peasants dug out worms with their ploughs and a number of small birds carried them away. At the sight of this ordinary occurrence, the young prince lamented as if he had witnessed one of his relatives cruelly murdered. "What a pity all living things destroy one another," he cried out. At last he could no longer bear the sight and sat down quietly under a tree not far away to drown his heartache in meditation. He sat there in contemplation until the sunlight cast long shadows among the trees. Who can say

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that Sakyamuni's ultimate motive in retiring from the world was not derived from this poignant childhood experience?

From the mundane fact that small birds pick up small worms, this owner of a clear mind and a sensitive heart easily arrived at the conclusion that "all living things destroy one another." Centuries later Darwin proved scientifically that all living things struggle for life and that the strong prey upon the weak. But this theory is so self-evident that it would hardly have seemed necessary to perceive it through long study. It would be easy to rescue a butterfly from the spider's web, but what would become of the poor spider if it was deprived of its food? This basic observation might apply to all living things among whom the struggle for existence in many instances is a matter of life and death. Even in so-called ages of peace there are endless struggles and forms of competition, not always on the battlefield. The young Buddha, on seeing these small creatures destroy one another as part of this process of living, was singularly disturbed in both mind and body, and he recovered his composure only through prolonged meditation. This experience might well be considered the first expression of Sakyamuni's views on war.

We do not, of course, know his exact state of mind on that occasion. It is not, however, difficult to conjecture that he was deeply moved with the realistic idea of the irresistible force which motivates living creatures. If he had affirmed the validity of this force, he would have been forced to admit that all the world was as barbarized as the life of wild beasts. Yet if he had set out to correct this evil, the effort would have been as futile as trying to grasp the wind. A pacifist who merely seeks his ideal will ultimately realize the folly of the latter course; whilst a bellicose person, who thoughtlessly affirms the reality, will follow in the wake of the former. In order to avoid two such extremes, the affirmation that all the world is barbarized or the futile attempt to correct the manifestations of this condition, and thus set man on the path of righteousness, the young Buddha believed that the only course was one of meditation in solitude. Buddhism, therefore, always speaks of solitude and

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quietism and prevails upon its followers to meditate. It is quite evident that this contemplative approach to the cares of the world was derived from the Founder's youthful experience.

At the time of Buddha's birth, an aged saint named Asita came to the royal palace, physiognomized the child, and shed tears in huge drops. The royal father in wonderment asked the reason for this. "If this child succeeds to the royal throne," he replied, "he will unify the whole world. If he leads a sacerdotal life, he will be a great teacher. He will perhaps prefer to be the latter, but I am so old now that I cannot live to learn from this child. That is why I am so grieved." Here we confront alternatives large enough to bisect the life of mankind: the gulf between state and religion, power and culture, government and enlightenment. Whether this wise man's prophecy was a fact, as many of Sakyamuni's biographers proclaim, whether it was invented by some to illustrate his exceedingly perfect character, or whether those two great alternatives, which generally confront thoughtful men, were actually a force in the future life of the great Saint, we do not know; for materials are lacking. At any rate, it is certain that, obliged to decide at a later date whether he was to lead a temporal or a spiritual life, Sakyamuni chose the latter course.

Christ said, "Return to Cæsar that which belongs to Cæsar." But a monarch, even one who has unified the world, cannot maintain his throne for long without tragedy or bloodshed. Buddha must have had a still deeper conception of mankind's welfare. The mere temporal peace of the world is not enough, and Buddha preferred old age, disease, and death, for so long as man cannot overcome these three things, any attempt to reconstruct his surroundings cannot bring happiness. Moreover, from his youthful observations, he knew that the struggle for human existence has made the nature of mankind vigorously warlike. But a man must know what happiness really is before he can make others happy, and for this reason it was natural that Sakyamuni abandoned a monarch's life and devoted himself to sacerdotal contemplation.

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Sakyamuni spent six years trying to train his mind and body. He learned that human wickedness and weakness do not come from the demands of the flesh but from various defects in an unrefined mind. Perhaps no man has ever experienced the evil and weakness of the human spirit so keenly as he. Men commit various evils under the disguise of various virtues. Some even think those evils to be good. Thus good and virtue have come to be the adornments and even the prizes of the strong. In some cases, the weak are reviled as vicious persons, perhaps because they stir up the appetite of the strong. Thus rabbits, reviled by lions, are devoured by them; while lions eating rabbits, forget to thank them. The cunning Self gazes with glittering eyes from behind. Yet no one can know the whole of this intangible Self. From this point of view, man's life, the slave of Self, is in the rôle of a marionette or a poor comedian, dancing and playing for a purpose which he does not understand. The clear-sighted Buddha penetrated into this obscure fact. Disclosing the monster Self, he extirpated this annoying knave as a skilful physician removes the virus. Thus he became the owner of a great love.

His movements and motives after this realization are clear. He strove to propagate the peaceful thoughts he had acquired by his own emancipation from the tyrant Self. Needless to say, such efforts conflicted with the moving forces of the environment in which he lived. In those days, India was divided into sixteen large states, as embittered toward each other as the states of Europe today. As wars occasionally broke out among them, Sakyamuni had many opportunities to reflect upon this tragic manifestation of human existence.

In the closing years of his life, the prime minister of Magadha, a powerful state on the south side of the Heng-ho, once paid Sakyamuni a visit and asked him if Magadha could defeat the state of Vajji, situated on the opposite side of the river. "If the people of Vajji," replied the sage, "assemble in great numbers and transact their government's affairs, strengthen their national defence, manage their state affairs in unanimous combination,

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respect the laws and not alter them at random, esteem courtesy and observe faith, have regard between the sexes and respect their seniors, are dutiful to their parents and obey their elders, revere the ancestral mausoleums and do not ignore ceremonies, honour the righteous path of humanity and men of great virtue, —then the armies of the whole world cannot conquer them."

This answer to the prime minister of Magadha does, to a certain extent, interpret Sakyamuni's concrete views on war. Thus he could not be entirely termed a pacifist absolutely opposed to war, for he deemed that the existence of a powerful country often serves to prevent war from breaking out. A state not possessing the conditions which he enumerated might incur an invasion; and that state itself might at times attack other states for want of territory and wealth. It is, therefore, a matter of greater importance to found a well-governed state than to endeavour to prevent the outbreak of warfare. If a war breaks out between two states, it is necessary for a third country to probe into the causes and decide where the responsibility lies. Nor ought we to come to the hasty conclusion that the stronger country is to blame or that war is always avoidable. In some respects, all the world is now at war. The conflict in Spain was, in fact, a war among other countries; behind the conflict between Japan and China, operate the hands of others. Criticism of war must be based, not upon physical strength or weakness, but upon the degrees of civilization of the belligerents. It is believed that Sakyamuni held such a viewpoint. For this reason, he remarked, "If reason is not heeded, the royal army goes out to subdue."

Toward the end of his life, Sakyamuni's native state, Kapila Vastu, was overthrown by the young monarch of Kosala, a powerful neighbour. In this instance, Sakyamuni declared that the unreasonable attitude of his own state had been the cause of the conflict. With firm resolution, he had endeavoured to dissuade the army from being dispatched to the borders. Three times he tried, but he gave up. Before this, when one of his courageous disciples proposed that the army should be dissuaded from

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fighting, the sage flatly refused to act, calmly replying, "Can you reopen the sealed doom?" By this question he meant, "Can a man stop the natural consequences of an affair that began years before?" In other words, he clearly perceived the movement of power upon the earth and knew that it could never be stopped by any magical means. He knew that in such cases, religion, art, or morality was of no avail. When war is over, then the soothing hands of religion will be needed. When the castle fell, Sakyamuni rescued and consoled his wretched people, and succeeded in giving them the greatest benefit and happiness they could enjoy upon earth.

So long as men possess desire in any form, conflict will never cease. As in the case of Sakyamuni, the problem imposed upon men of thought and discretion is to restrict, purify, and refine these human desires. Perhaps conflict will remain forever as the great riddle of human life; perhaps it is as indispensable to mankind as sunlight, air, water, and earth. But at the same time, as these beneficial forces of nature are attended with droughts, typhoons, floods, and tempests, so human conflict will ever be the source of calamities.

CHARACTERISTICS OF THE JAPANESE FAMILY

By TEIZO TODA

EVEN though it is generally held that the Japanese family differs in many important respects from that in European and American countries, it is not perhaps so clear where exactly the difference lies.

In the first place, a Japanese family is a much larger and more comprehensive unit than an American or European family, comprising as it does not only the two parents and their sons and daughters, but also the wives of the sons and their children, etc. Also, every Japanese home is distinguished by a family shrine wherein rest the names of the ancestors and to which daily reverence is paid.

Yet this cannot be attributed to any peculiarity in the nature of that conjugal and parental affection on which every family must be based. For this is more or less the same the world over and varies little with difference of race. The songs and poems found in Western literature in praise of love and devotion between man and woman can be more or less paralleled in Japan. So also with regard to the affection between parent and child.

Hence arises the question: Why these marked external differences between Western and Japanese families, since the basis of both is the same? The answer is that they are due to the differences in the social structure of which the family forms a part.

The social life of Europe and America is formed around the matrimonial relationship. That is to say, the social unit is the association of a legally married pair, and the main emphasis

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is placed on that. But in Japan the main emphasis is laid on the existence of the family itself, and the marriage of a woman to a man derives its importance from its promise of perpetuating the family group by means of a posterity.

In European and American countries the rule is that each time a man and a woman marry, a new family is created, so that marriage may be taken as almost synonymous with family. For the family thus created ceases to be with divorce, and continues only while that particular pair are living. Granted that the children born into such a family may live together there with their parents, yet the social structure, of which it forms a part, does not demand that parents and children combine in a lifelong co-operative life. A son while young will live with his parents, but when he has grown up and taken a wife, he invariably separates from his family and creates a new family of his own. He is still, of course, related by blood to his parents, but his family and theirs now form two independent groups. In certain cases a son may succeed to his parents' family on their death, but generally he remains independent of it; so that a new family springs up each time a pair are married and disappears at their death.

Fundamentally different is the Japanese social norm, the main purpose of which is not a continual renewal and disintegration of families, but rather the perpetuation of the existing family. Once a family has been established, it continues its group existence indefinitely by means of posterity. Speaking generally, the eldest son in each family is under an obligation to inherit the headship of the family, or, failing any son, then the eldest daughter. With very rare exceptions the eldest son, when he marries, brings his wife to his family and continues to live with them, and the children of the marriage belong to the son's family. So that, in a single family group, the head and his wife, sons and their wives, and grandchildren all live together. It may well happen that a grandson in the direct line of inheritance marries, and then he and his wife and their offspring will still rest within the family, from the first to the third

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or even the fourth generation of living persons.

Under the influence and control of the head, these generations of descendants will become imbued with the ancestral traditions of the family, so that, when the head dies, they in his stead will assume the responsibility for ensuring the livelihood of the family and its members.

Never is a family allowed to be dissolved except when there is no person left to inherit. Second, third and still younger sons, if they are capable of creating independent families of their own, are legally exempted from the obligation to inherit. Yet these new families assume the name of the family from which they have sprung, and are called branch families; and once formed, they are carried on by means of their posterity.

Only where there is no son, can a daughter inherit the family, and then the man she marries enters her family and becomes a member of it. Otherwise, the daughters marry into the families of their husbands, and become members of those families. Thus we see that it is not, as in Western countries, marriage that creates the family, but the family that exists before the marriage. The family lasts hereditarily from parents to children, still remaining although its component members are always changing. The small group persists, and the function of its successive components is to ensure its existence.

The fortunate husband and wife will enjoy a life of affection and harmony, but the main thing society expects of them is that they bring up children who will be faithful members of the family and also maintain, through the family, a tradition of loyalty to the State. With the family fortune and occupation, posterity also receives the family ancestry and tradition. All these things must be honoured and preserved by them as by their ancestors. When no one remains to receive this heritage, the family automatically disappears, and society regards this as a serious blow to the souls of the ancestors and a grave dishonour.

If a descendant lose the hereditary fortune, abandon the ancestral lineage, or refuse to succeed to the family name, he is liable to social contempt and censure as a morally degraded

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person.

Generally speaking, a Japanese family is much bigger than a Western family; in not a few cases a single Japanese family having many members other than those in the direct line of inheritance, such as uncles or nieces. Taking the whole body of Japanese families, we find that those composed only of the two generations of parents and children form more than half, each comprising five persons or less.

But the size of the Japanese family is not its main characteristic. The one salient characteristic of the Japanese family is that it should continue indefinitely from generation to generation, holding within the bonds of its affection the various generations that form its membership. It is for this reason mainly that Japanese families seem as a rule so large, whereas a Western family lasts only as long as husband and wife are living, and rare indeed is it to find, as is so often the case in Japan, relatives belonging to three or more different generations living together in a single family. But it is not the size, nor the number of successive generations living together, that matters, but the perpetuation of the family. This it is that makes the fundamental difference between the Japanese family and that of Western peoples.

This is well brought out when we consider the important rôle played by the head of the family and also the significance attached to the marriage of the person who is under the obligation to succeed him.

The family head in Japan has powers and responsibilities unknown in Europe or America. In these latter countries the main responsibility of the parents is for the welfare of their own children, and there are usually no others for whom this responsibility must be assumed. In Japan, however, not only are the parents responsible for the welfare of their children, but frequently as family heads they have to ensure a livelihood for the whole family. In many cases, the head of a family has his own children to support, in addition to all the family members including those who are parents and their children. The parents

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and the family in Japan are therefore ideologically different.

The family head has to exercise certain patriarchal powers, such as supervising the life of the family, leading its members in the due performance of religious rites for the ancestors, in maintaining the family traditions, in preserving harmony among the members and in representing and protecting the family in regard to third persons. On him falls the responsibility for ensuring the continuance of the family, and so Japan recognizes his right to exercise this patriarchal authority.

But the old age, senility or death of the family head prevents the due exercise of these powers, with the danger that the family traditions will not be preserved or the family itself collapse. To safeguard against this, the Japanese social system admits the inheritance of these patriarchal powers, and he who inherits, assumes all the powers and responsibilities of the previous family head. Among them, the right of supervising the maintenance of the traditional family mode of life and of managing the fortune belonging to the family group are considered the most important. By its very nature, the inheritance of these powers does not mean merely the inheritance of the family fortune by itself, but of all the powers and rights necessary for the continued existence of the family and the maintenance of the family living. Moreover, the family fortune is not inherited by the new head as a patrimony. It did not belong to his predecessor, nor does it belong to him, as individuals, but belongs to the whole group of persons forming the family.

In a word, the fortune is the fruit of the labour and efforts of successive generations of the family, and the family head manages it merely to ensure that it is put to its proper use of promoting the livelihood of the family. It is because the new head inherits the full responsibility for the existence and development of the family that the right and responsibility of supervising and controlling the family fortune fall to him.

The form of marriage employed in Japanese families is strikingly different from what is usually found in Europe and America. In all cases, as it is hardly necessary to insist, it is

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important that a marriage should be arranged with the mutual consent of the two parties directly concerned, since it has a most important bearing upon their chances of future happiness. But, in a Japanese family, although the mutual consent of the two immediate parties is regarded as necessary, it is not held to be enough for bringing the marriage about. What is always borne in mind in Japan is that, since marriage means that a girl belonging, say, to "A" family forthwith becomes a new member of "B" family, to which her husband belongs, the logical outcome of it is the inauguration of a new relationship between the two families; not, be it noted, between this or that particular member of each family, but between the families themselves as groups of persons.

On that account, the heads of "A" and "B" families, who, as a rule, are the parents of the bride and bridegroom, need to give their mutual consent to the union of their son and daughter. For "B" family, to which the bridegroom belongs, the marriage means the introduction of a newcomer to its membership, and, therefore, it is the duty of the head to make sure beforehand that the potential bride is likely to be faithful to the family traditions and whether or not she is qualified to contribute towards the continued existence and development of his family by acting in unison and co-operation with its various members. Likewise, on the other hand, the head of "A" family, of which the potential bride is a member, must ascertain in advance whether "B" family is one to whose manner of life she would be able readily to adapt herself and whether or not the inauguration of such a relationship with "B" family is likely to be detrimental to the existence of his family.

Only after they have completed such investigations to their mutual satisfaction, will the heads of the two families give their consent to the proposed union. In this way, before an engagement to marry is entered into between a man and a woman, it must be subject to the mutual approval of the responsible members of the two families concerned. If these two persons enter into marriage by their own mutual consent only,

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but without the mutual approval of the heads of their families, such a marriage is not regarded as a full and proper nuptial union from the point of view of society. No marriage can be regarded as socially correct unless the mutual consent of the heads of both families has been secured.

The family heads then introduce the young couple to their friends and relatives, or give parties as a way of announcing the marriage. The special character of a Japanese wedding party is that it is given not merely to felicitate the new couple, but also to celebrate the entrance of a newcomer into the bridegroom's family, as well as the inauguration of a new relationship between the two families concerned. It should thus be obvious that marriage in Japan means not merely the union of a man and a woman, but, in most cases, involves also the entry of the bride into the family of the bridegroom as a new member. There are cases, although quite rare, when it is the bridegroom who enters into the family of the bride. That happens when there is no son to inherit, and so the bride must remain within her own family to ensure its maintenance.

The bride on whom falls the responsibility of prolonging the family life can in no circumstances secede from her new family. She has left her parents' family and entered a new one to share with her husband his future responsibilities, and consequently she must of necessity submit to the mode of life that is peculiar to her husband's family.

Every Japanese family has its own particular traditions which must be respected by all its members. If the bride, instead of being faithful to these traditions, should ignore them, she may well be said to be unqualified to remain a member of her husband's family, no matter how highly she may be endowed in other respects. In full harmony with the mind of her husband, the bride must worship his ancestors, observe his family's mode of life, and share in the conduct of the family affairs with his parents, brothers and sisters. In case she acts in a way opposed to the family's mode of life, she will have to leave the family, even though no discord exist between her and her husband.

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In such a case, when the trouble lies between her and her husband's family, and not between the couple themselves, it is not allowed to them to sever their connection with the family and to create a new family of their own. For the husband's obligations to her are not so great as to his family and since he has the responsibility of succeeding to its headship, he cannot sever his relations with it.

If, therefore, his wife, who has become a member of his family, fails to fulfil the duties that are incumbent upon her as such, she may be regarded as having abandoned, of her choice, the vocation she had entered upon. Accordingly, the wife who cannot adapt herself to the mode of life of the family to which her husband belongs will have no other course left to her but to separate from both husband and family. A divorce of this sort, however, does not necessarily place her under the imputation of having some defect as a woman. It is not because of any blemish of that sort, but simply because she, a member of her husband's family, cannot harmonize herself with the mode of living peculiar to his family, that she is regarded as unsuitable and therefore to be divorced. Here is a very different conception of divorce from what prevails in Western countries. In these countries, one may roughly say, it is for her shortcomings as a woman that a wife is divorced. In Japan, the main point at issue is whether or not she is able to adapt herself to the requirements of family life and to co-operate harmoniously with its various members. She is not so much a bad woman as a bad member of a particular family.

In Japan, divorce proceedings are far simpler than in Europe and even than in the United States. No judicial proceedings are needed: the mere registration of the fact that divorce has been decided on at the public registry office is all that is required by law. This accounts for the high percentage of divorces in Japan, which ranks second to the United States in this matter.

Most of the divorces in Japan are on grounds of disagreement between the wife and her husband's family because of her attitude towards their mode of living. It sometimes happens

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even that men of a debased morality will divorce their wives on pretext of such discord, although it does not actually exist. Nevertheless, the fact that the reason for the majority of divorces in this country is that of discord between the attitude of the wife and the family's mode of life, will surely serve to show one of the characteristic qualities of the Japanese family.

We have already called attention to the fact that the characteristics of the Japanese family are found in the powers granted to the family head, in the inheritance of these powers and in the marriage of the person who will inherit them. We may also find them in the system of adopting an heir to ensure that the family shall continue when natural heirs are lacking, in the principles of women's education, and finally in the attitude of the family towards second, third and younger sons.

In short, pervading the whole Japanese conception of the family is the desire to achieve as effectively as possible the continuance from generation to generation of small groups of persons living together in what are termed families.

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BOYS—THE MEN OF TOMORROW

By PAUL RUSCH

The boy of today is the man of tomorrow. He who makes investment in time and money in the lives of boys of today writes his name in large letters tomorrow.

WE are forced to think in world terms today. Modern inventions have made the world an intimate and an uncomfortable place. In present-day thinking we are literally one of another. What happens in Tokyo, Berlin, New York, Nanking, Moscow, Madrid, is of vital and personal concern to each of us. The frontiers of freedom, of righteousness, and of justice stretch around the globe. A defeat anywhere is a calamity for all of us. Courage and faith shown anywhere are an inspiration to men and women of good will in every nation. The turmoil in East Asia today is symbolic of momentous months marching into history, months that will color and change the life, not only of this area but the world's future.

We are told "the agony and sacrifices that burden our hearts so much these days are the birth pangs of a new era—an era that will put this area of the world on the map and force it out into the midstream of the world's turbulent but ever on-going life." The most important history of the next century—not for the Far East only, but the world—will very likely be shaped for good or ill by the extent to which these forces are tempered with understanding and their aggressiveness modified by a spirit of conciliation.

Yet, dare we look forward to a world without war—a world in which a philosophy of love shall govern all human relationships? Christ did dare, and left us this idea as a priceless legacy, and with this legacy an active partnership with Him to make it real.

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It is to this very challenge of Asia today, this task of spreading Christ's Kingdom, that the young Brotherhood of St. Andrew in Japan is called. It is a task worth while, fraught with difficulty, but it is to such tasks that men respond. The Brotherhood, as one of the most widespread Christian youth movements working today in Japan, believes the whole balance of the right kind of future citizenship in the Orient depends upon the creation of right ideas and right attitudes in the present school and college-age men of Japan and China who will be the leaders of the next decade. It seeks to create and promote real fellowship among all boys and young men of this age, not only of the Christian Church and our country, but of the world. As members of the Brotherhood, boys become a part of a world movement which has, as one of its objectives, the breaking down of the barriers of national mistrust and selfishness through the impact of unselfishness, Christian prayer and service. We would promote a fuller understanding of what the Christ meant when He said: "Thou shalt love the Lord thy God with all thy heart and with all thy soul and with all thy mind and with all thy strength, and thy neighbor as thyself."

The now fifty-six year old world St. Andrew movement was experimented with in Japan at St. Paul's University between 1927 and 1931. In 1931, to provide for its extension throughout Japan, an autonomous national movement was organized. To date a net-work of about 100 chapters and probationary groups has been built up in various parts of the nation. Upwards of 2000 young men between the ages of 14 and 30 are included in its active work today. It has not only made a decided impression on the forces building up the man-power of the Christian Church but it has become a significant force among young men, especially of higher school age, in making the Christian ethic of peace and good will a motivating force in the lives of non-Christians. Considerable space regarding its activities has been given by the religious press of America and Europe.

It is significant that the leadership of the China of today,

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and of the Japan of tomorrow, is coming from the colleges. The now twelve year old St. Andrew movement in Japan was born on the campus of a Japanese university. It seeks to deal with the essential needs of the vast student class and of the contemporary world of Japan. It regards Christian character building as all important. Any lasting prosperity must have character as its foundation. By Christian character building in Japan's youth, the Brotherhood means full, all-round development, the establishment of habits of thought and action which, even in the times of stress, "play the game." The great public educational programs, with their enormous budgets, sadly neglect moral and spiritual growth. "Citizenship" does not meet the issue, unless a consecrated leader fills its vagueness with rich spiritual values. While the Brotherhood frankly recognizes that every well-developed boy and young man represents a balance of the physical, the social, the mental and the religious, it is anxious that all of its members should live to the utmost in all these areas of experience. It moreover recognizes that secular organizations today provide adequately for the expression of all these ways of life except the religious.

As a militant group of young laymen within the young Church of Japan, the Brotherhood of St. Andrew, like a business, is only as effective as its leadership, and one of the chief tasks of the movement today is to search out and assist in building the lay leadership in Japan. Every strong organization must produce its own leaders. Leadership calls for hard work, but it pays tremendous dividends. Nations, groups, even churches, missions, rural centers, spring into active worth-while life under the magic touch of a leader who starts with natural aptitude and adds consecration and intelligent study.

Never before has the Christian Church had greater opportunity in Japan than she enjoys today. Government leaders, educators, business men, the man in the street, all are crying out for a greater spiritual awakening of the nation. Towards the realization of this the Brotherhood sees opportunity

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for work in three spheres.

Urban Occupation Japan has 127 cities. A study of the Empire's 25 principal cities indicates that these cities have a relatively heavy share of the Christian occupation. Of Japan's (proper) total population of roughly seventy million, 16,413,103 live in these 25 cities. Of these only 101,795 are members of the Churches. The total Protestant membership in Japan is 204,588. In other words, these 25 cities have less than one-fourth of the nation's population but almost half of her Christians within their borders. That leaves 102,793 Protestant Christians to be scattered among the other 102 cities and the thirty million rural folk. (*Japan Christian Year Book*.)

Schools "Japan is made up of schools. Japan is a school, an Athens. Temperamentally alert and quick like the ancient Hellenese, of passive turn of mind, ready to receive, and immensely curious to learn everything new and strange, the people turn to learning as do ducks to water," states the late Dr. Nitobé.

There are 11,232,076 boys and girls in Japan's 25,771 elementary schools and 2,803,747 students in her 20,367 secondary schools, colleges and universities. (Department of Education, 1937). The men and women who are to be the leaders of thought in Japan of tomorrow are now in the schools of the land. If they are ever won to Christianity it will be largely through the influence of Christian leadership of today, or, as a result of what is implanted during these student days.

"Here are great hosts of students, mostly men, who are preparing for positions of influence and leadership in Japan. They present to the Churches a field of influence immeasurable in extent but almost untouched. A wide door stands open. Realizing these possibilities, the Commission recommends to the Churches in Japan and to the mission boards, the inauguration of a ministry (to students) on a large but uncompetiting scale. The Church could undertake few pieces of new work that promise greater results in exemplifying the spirit of Christianity." (from the *Report of the Commission on Christian*

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Education in Japan, 1932).

Rural Occupation "There are 9,600 villages in Japan with a population of 30,000,000. In only 30 of these rural villages is there a Christian Church. To this number, however, must be added another 99 churches located in small towns whose membership is largely composed of farmers. The Nippon Seikokwai reports 42 rural churches and chapels. The Japan Methodist Church, the second largest denomination in Japan, can only report 15 distinctively rural village churches. These figures fairly accurately picture the unoccupied condition of the rural area." (*Japan Christian Year Book*.) Half of Japan lives in the villages, and they are the stronghold of Buddhism. Christians can never win Japan unless strong churches are organized in the villages.

We will never build strong churches in the villages, we will never win even ten per cent of any of the cities, nor shall we be able to permeate the tens of thousands of Japan's youth in the schools today with the ideals and spirit of Christ until we can arouse and train our laity to spread the Gospel as the Christ taught in His time—one man at a time, the Right Man. And only from little groups of inspired men can we hope to open missions that will grow into churches.

Alive to Need In undertaking to win men and boys to Christ in the vast areas of unwon Japanese life, the student field, young business men, boys, and the great rural districts, the Brotherhood of St. Andrew knew it must build through men; and these men must be trained. Thus from the very inception of the national organization of the Brotherhood has gone a concrete program of leadership training conferences. Today it has completed its seventh summer of pioneering these definite study camps. First, came the one central leadership training camp begun in 1932, patterned then much after the conferences of the West, held for young men from the various districts of Japan. Through seven years the pattern of a study course that led to something was followed. Today these annual camps are looked to by clergy and laity alike as highlights of

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the Japan Church Year. But the summer leadership training venture in Japan really came of age during the past summer.

From the inception of the national movement in 1931 it was foreseen that plans must be realized for a model headquarters building in the nation's capital as a center for student and young men's work; a centrally located leadership training plant that would house the training camp sessions and serve as a laboratory for training youth in the Brotherhood's four-fold program; a Literature endowment to provide annual Christian youth study books; and a general endowment for the upkeep of the movement. Six years of actual experience in borrowed quarters proved the necessity of these projects. Satisfied that the experiment had proven its value and determined to perpetuate the principles for which it stands, the Brotherhood launched a campaign on St. Andrew's Day, 1936 to realize these objectives. A fund of ¥250,000 was set as necessary. The writer visited the United States and Canada in 1937. Committees were launched composed of prominent leaders in American life, and approximately ¥60,000 was quickly given by men and women of good will for the national leadership training camp plant.

Diligent search produced the site on the slope of lovely Mount Yatsugatake. Through the kind co-operation of Governor Doi and his associated officials of Yamanashi Prefecture, one of the most picturesque mountain-side camp sites of 33,000 tsubo was finally allocated to the Brotherhood for the purpose of establishing a model youth camp for the moral, spiritual and physical training of Japan's youth. In the background towers Mt. Yatsugatake, to the right the Southern Alps and across a long vista from the front, one of the most glorious views of Mt. Fuji. To date, a great log cabin style central building has been constructed covering some 400 tsubo, housing a great lounge, library, offices, dining hall and camp kitchens, connected by covered walk ways to wash rooms and baths. Eight log cabins with Japanese interiors, each housing ten or more persons have been built. Athletic fields provide for tennis, football, basketball, baseball and the martial arts. An

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outdoor Chapel commands a mountain view unsurpassed in all Japan.

Seisen Ryo means Pure Spring, and no name could carry greater significance or define what the Brotherhood of St. Andrew stands for in Japan. Seisen Ryo was opened on July 24, 1938, attended by a notable gathering of men and women, many who journeyed great distances to attend the formal dedication. Dedicated by the Most Reverend Samuel Heaslett, D. D., presiding Bishop of the Nippon Seikokwai, the opening ceremony was specially significant by the coming of the Bishop of New Hampshire, the Rt. Rev. Dr. John Thomson Dallas, on a journey of approximately 10,000 miles across America and the Pacific to bring the greetings of hundreds of men and women in the United States who made the training camp plant possible.

Here the Brotherhood of St. Andrew in Japan has set up the first section of its laboratory to develop youth for leadership and citizenship of tomorrow. Approaching men and boys with a two-fold challenge, first, it urges men and boys

1. To adopt the way of every-day living as set forth by Jesus, commonly called the Christian way of life.
2. To adapt itself along the four phases of Christian life growth, i. e.,
 - a. The best physical care and development of the body to fit the human machine for clean, wholesome achievement.
 - b. An understanding of real social contacts and the place of social usages and demands.
 - c. The need of carefully trained minds through general and cultural discipline.
 - d. Christian and moral convictions and Christian ideals as guides and standards to complete living.

and the second challenge is to fit itself for Christian leadership for the life-work of its own choice by an intensive course of training during the summer months in specially operated camps, which take youth away for a period from their usual surroundings and into a Christian atmosphere with Christian teachers and companions.

In utilizing the summer months for training purposes, the Brotherhood divides its program into three sections:—(1)

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Leadership training conference for selected young men above 18 years of age; (2) the Boys' Camp, 12 to 18 years of age; and (3) the Rural Young Men's Conference, all operated in a distinctive outdoor setting. The lure of the mountains, the woods, and the mountain streams gives the training camp program a genuine vacation flavour. The scheduling of athletics and social functions on the instructional basis is an integral part of the training program making the class-group the central idea of the camp. Beginning last year and in line with the Ministry of Education's plan to have all young men and boys actually help with manual work of building up outdoor places, all members of the summer training camps give periods of each day to road building and general improvement of grounds and buildings. All parts of the program are planned as a challenge to personal growth.

Deliberately planned to take young men, the boys and the older leaders away from their usual surroundings and free them from the limited circle of ideas current in their communities, it sets the young man down in a new environment tinged with adventure and full of new experiences. It opens his mind automatically to new ideas and reduces his natural enmity to the new, which is the product of established habitation. It relieves him from neighborhood thinking. The leisure time of a young man which determines the bent and character of life, is thus utilized for purposeful objectives. The success of the idea is measured by the large number of young men who have attended the past seven summer training periods of the Brotherhood.

In Camp the boy has as his fellows, other young men from all parts of Japan or countries different from his own. His companions are selected, picked as he has been by the Brotherhood's leaders for their promise of leadership. They eat together in a common eating lodge. They play together on the same courts. They work together in groups to help improve the grounds. The contact of life on life is a challenge to win, not over his fellows, but over himself. He measures himself and is measured in the evaluation department of the

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camp. The conference is not a vacation center; the school side is emphasized, and work is required of each young man. Beginning from scratch in 1932 the Brotherhood had to search out men who could do a first-class job of daily discussions. It emphasized that the course selected had to be keyed into the lives of present-day young men of Japan. The first two years' selections were trial balloons. By 1934 the conference got into its stride. Such courses as The Purpose of God for My Life, Christian Youth Building a New World, A Living Faith in a Changing Age, and a Christian Philosophy of Life, are examples of planned study hours. His interviews with practical leaders, who have achieved in their field and are still young in life, give the young man a glimpse here and there of the path ahead. He lives in a Christian atmosphere, worships in the morning and evening on the side of a mountain, and lives his impulses for good each day. His social activities are of the re-creative type, and a healthy, alert, out-reaching mind is aided by a clean body, washed and tanned by air and sun. He discovers the world exists only as he sees it and that his own will is the measure of his personality development. He meets with teachers and leaders of achievement and the desire grows in him to become a leader and good citizen also, in his own way, as he registers himself in life.

The sole objective of the Brotherhood enterprise is the challenge of youth to become Christian leaders in all areas of Japanese life. Symmetrically developed character and training in leadership in keeping with Christian ideals make up the plan. It is seasoned with all the positive youth activities in an outdoor setting.

The elements of Christian living and leadership in balanced measure are five in number: (1) Personal Christian Ideals, (2) Personal Foundations, (3) Personal Enrichment, (4) Leadership Principle, and (5) Leadership Practice. The aim of it all is an enriched personality filled with an urge to become a Christian leader in every-day economic and social life. Leadership is the result of instruction and practice in a given way towards a

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definite objective.

Time and again in the years gone by, youth has turned the scale. The World War was the outstanding example of this. Weary and worn out, their man-power almost exhausted, the allied armies rallied to a new attack along their whole extended lines in the dark days of 1918, spurred on to a fresh effort by the hundreds of thousands of youth, just 'teen age, many of them, who rushed into the breach and saved the day.

Today, as in the past, the victory for a warless world, for a world in which a new philosophy of love shall govern in all the fields of human relationships, awaits the action of the youth of this generation. The Christian Church, as potent as ever it has been in all its nineteen hundred years of history, is the instrument awaiting the hand of youth and it rests with this generation whether the victory of love in all the areas of human experience shall be theirs.

To this task of spreading the Kingdom of Christ in East Asia, through prayer and service, the youthful Japanese Brotherhood of St. Andrew is called. It is a task worth while, fraught with difficulty, but the way is a highway of adventure which has ever been the clarion call to which the best youth of the nations, down through the centuries, have never failed to respond.

Those who have vision, high hope for our nation, and dreams of the spread of Christ's Kingdom, must look to boys. Their welfare, nurture and guidance are inseparable from the success of such dreams.

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PROBLEMS OF THE OPERA IN JAPAN

By SABURO SONOBÉ

THERE is considerable pessimism about the future of the opera in Japan largely on the assumption that the general economic structure cannot support such expensive entertainment and that modern Japanese music is still too immature. The main problem, however, seems to centre around the question of music.

The West has little or no knowledge of contemporary Japanese music, and that generally heard abroad is what we call "new Japanese music," nothing but the music of feudal times tinged with some Western elements. In a sense, this means that conventional Japanese music has sustained a defeat in consequence of the development of a capitalistic civilization in Japan during the past half century and the sudden popularity of Western music arising from this phenomenon. We do not intend to efface the value of the traditional substance in the art of a country, but we cannot deny the fact that the traditional forms of genuine Japanese music have been vulgarized so as to lose their capacity to comply with the daily sentiments of the public, which, too, have undergone considerable change.

When Western music was first introduced it was merely performed on the occasion of international ceremonies or for entertainment at dinner parties among the upper classes. In the course of time, however, it made rapid progress and was popularized. Thus today foreign music finds favour among the young intelligentsia, while the traditional forms have suffered and at times are even rendered through the agency of Western musical instruments in an effort to salvage this classical heritage.

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The product thus obtained is the so-called "new Japanese music." But can a modern Japanese find in it an extensive futurity and a sense of refined pleasure? Japan as a modern world Power has endeavoured to strengthen the traditions which lay deep in the foundation of the nation of which the music of the past is one. But at the same time, the development of Western music has been well received, and it was when Western music began to be appreciated by the general public that foreign style operas were introduced. Although Western music has earned for itself a definite place in Japanese civilization today, the development of one of its most outstanding forms, the opera, does not appear promising. Theatrical producers are not interested in it. On the other hand, the public is abnormally interested in music, and remarkable enthusiasm has been shown toward recently-performed operas and operettas. Notwithstanding the public demand for this kind of entertainment, producers seem indifferent.

About twenty-five years ago the first Western style grand operas were performed with rather unskilful casts and, of course, did not attract much attention. In those days Western music was not so popularized as today, and the few spectators who attended the early operatic productions probably did so merely out of curiosity rather than the result of genuine artistic yearning. Such performances were viewed merely as a European spectacle. In this period both Western drama and opera departments were established by the Imperial Theatre, the first purpose of which had been to stage old Japanese plays. Its facilities served as a kind of operatic training school. But financial difficulties plagued its development, and the theatre ultimately reverted to its original work of producing kabuki plays. During the era of post-war prosperity a number of Russian and Italian operas were undertaken at the Imperial, and the results were more promising.

In order to popularize the opera in Japan it has been necessary to stage productions in Japanese translation, the difficulties of which are obvious, and there is frequently con-

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siderable artistic depreciation in the process. Along with the other handicaps has been the rise of the cinema, especially the sound picture. This was no doubt the most important reason why producers in recent years have avoided operatic productions.

In the meantime, plans for restoring the opera have been left to the more ambitious performers themselves, and frequently operas are staged in the shape of concerts organized by a group of singers. At present there are about ten such groups leading a precarious existence while trying to keep their art alive. Many of the members of these groups, publicly insisting upon a social expansion of their movement, are inwardly seized with private ambitions: some merely boast of their experiences abroad, while others desire to seek their fortunes on the Western stages. Absorbed in such day-dreams, they make little or no effort to improve their performances, acquire good orchestras and producers. Little wonder then that these groups have failed to command much attention from Japanese music lovers, but nevertheless it is upon these groups that the future of the opera in Japan depends.

Of them, the oldest is the Vocal Four which was established in 1927. The other leading organizations are the Kin-yo Kai (Friday Club), the Miura Tamaki Opera College, the Hara Nobuko Opera Study Institute, the National Opera Society, the Gaku Yu Kyokai (Musical Companion Society), and the Opéra Paveau. Each group has a small membership and usually limits its productions to such works as "Il Barbiere di Siviglia," "Traviata," "Pagliacci," "Madame Butterfly," and "Cavaleria Rusticana." These operas are generally undertaken in the form of concerts. The star singers, who lead their respective groups, always stage operas without consideration for the necessity of having a skillful cast or good designers on the pretence of a shortage of funds, and try to make up for their material deficiencies by their experience in Western countries. As a result, however, their performances are little better than rehearsals, and the audiences are neither concert-goers who love high-class music nor common

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people, but mostly relatives and friends of the performers. Such being the case, it is no wonder that the large theatrical producers have avoided joining hands with such groups.

Despite the present low ebb of the opera, the general public has revived its interest in this type of music. Owing to the China affair, a cry has been raised that cheap, vulgar revues be purified. The Japanese revue, however, lacks any possibility of rising above anything but a typical revue, while the development of the *shin-geki* (new play) has foreclosed all prospects for the kabuki drama. Thus demands for some new artistic genre are heard. Not satisfied with musical performances in the form of concerts or with theatrical performances in the form of the kabuki or the new drama, a section of the public now wants some new combination of music and acting.

As a result, a few musical plays, such as "Boccaccio," "Carmen," and "Smiling Land," recently performed at some of the leading theatres, achieved some promise apart from their artistic merits. This bespeaks, first of all, the fact that the general public is more interested in the operatic type of performance than before and that no concert type of opera can be offered as a substitute. The performances just mentioned were undertaken by trained singers chosen from various bodies, not restricted to singers trained by a single star performer. With this new demand for operatic productions it is likely that producers will be willing to advance the capital, but the enterprise will not be able to continue along the previous group lines mentioned before.

What kind of operas are to be staged then? Most people will answer "creative operas by Japanese." But here arises the problem of immaturity. It is not to be expected that the art of Japanese composers today entitles them to produce creative works in rapid succession to meet the public demand. This is like expecting a crop without ploughing the field. At present, therefore, a new beginning must be made by staging those Western operas and plays which are already well known in Japan. It will perhaps be impossible to produce at present those grand operas which require excellent stars, choirs, and

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producers and the public must be content with operettas which can be performed on a small scale. Only by promoting such fundamental activity in good earnest can the future expansion of the opera be achieved. Considering their artistic ability, their number, and their experience Japanese opera singers do not as yet have the background necessary for the large-scale productions. But before abandoning opera-staging in the concert fashion, they should undergo a period of training in small theatres with small-scale productions.

In this connection, a leaf could be taken from the book of the new play movement. These actors and actresses were once compelled to play in small playhouses while laying the foundations for their present success. The small opera groups, which are ten or more in number, should first make their trial performances in the smaller theatres which can be operated with little funds—a playhouse where producer, performers, and musicians can all gather together on friendly terms.

"Operas composed by Japanese" will be merely imaginary passwords to success unless definite methods are taken. If the time comes when Japan can create and produce successful operas, a number of important considerations must be first fulfilled. Japan has still much to learn from the grand operas and operettas of the West, but the mere imitation of foreign models will prove meaningless and no better than the production of cheap, second-rate works. The foremost consideration is the mind of the Japanese audience. With no operatic tradition to speak of, the Japanese audience will assume a different attitude toward the opera than the Western audience. And considered from an historical standpoint, our age and environment are not the same as those of Rossini, Bizet, and Wagner. The "Traviata" may be duly understood by the public, but most people in the absence of a Western operatic tradition, will surely demand a quicker tempo. It is necessary to emphasize that there is also in the public's mind an influence and an attitude brought out by its experience with revues and talking pictures. This will no doubt establish an internal mode

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for the future opera of Japan and have far greater influence than the external modes of theatres and orchestras.

In considering the future of the opera in Japan, one would think that its material will have an influence on its form, that it will be necessary to reconcile the action on the stage with Western music. But if there is any one who thinks it ridiculous to enact scenes from Japanese daily life, or *magé-mono*, to Western music, he must be unaware of the power of artistic creation. The stage is never a reality, for a play can never be reality itself, however realistically performed. An opera, where music plays an important part, can be modified in any way. The real interest in an opera, it must be said, consists in the point that this irrationality is rationalized. It is nonsense, however, if opera producers today present characters of unknown nationality in fantastic appearance merely by rehashing the materials in a foreign style play for the purpose. More to the point, it would be to present scenes and customs familiar to the audience. The problem today is not the question of which music to choose—Japanese or Western. Our mode of life at present is based upon a mixture of the two civilizations, and this has even been extended over the details of our aesthetic feelings. Jazz and the Japanese *ko-uta* (little or short song) co-exist in the musical tastes of the labouring class. Such people never perceive that there is a strange mixture of Japanese music and Western harmony and rhythm in the popular songs they enjoy. And they think that these songs befit the emotional side of their lives more than the traditional music of Japan. The influence of Western music is expanding wider and wider, while the traditional music of Japan is being preserved only in a most limited circle of society. Who can say that the works of Beethoven and Wagner, and the music of Debussy and Stravinsky make no common appeal to the people at large?

Because Japan is one of the greatest customers for gramophone records in the world, some assert that there can be no harm in effacing the traditional quality of Japanese music. It is true that the young intelligentsia speak of Bach, are devoted

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to Beethoven, and discuss Ravel and Hindemith, and they apparently feel no contradiction in their ardent appreciation of non-Japanese music. Yet should this fact prevent Japanese composers from producing any more suitable works in their own style? No doubt the music lover's ardour is not directed to each of the musical words in the works of Western composers, but finds an appeal in the artistry contained in them. If Japanese composers can revive the traditional qualities of the past, they, too, will have a greater appeal. The task imposed upon them, however, is not to discover mechanically the forms of the traditional music, but to draw out the true Japanese characters from history and modernize them. This task, as was done by Moussorgsky in the history of Russian music, must perhaps await the appearance of a genius. But no genius will appear until the proper atmosphere has been created. The first attitude our composers should assume is a determination to be bold, to recognize these realities, and to represent clearly the sentiments of their age. The problems the opera movement in Japan once faced, all but destroyed it. Today it has revived, but its future development upon an artistic basis still depends upon overcoming formidable obstacles.

OUR WOMEN IN THE EMERGENCY

By TSUYOSHI MIYAO

THE China affair has not only changed the normal home life of the people, but has brought the Japanese woman out from the shelter of her home to take an important part in the activities on the home front.

An outstanding example of the direct participation of Japanese women in the execution of the national policy occurred when the Cabinet's Council on Education was created in December, 1937, and Madame Yayoi Yoshioka was nominated as a member of the council. Again in April, 1938, when the central commodity price committee was established in the Ministry of Commerce and Industry, Madame Waka Yamada was appointed a member. Mmes. Yoshioka and Yamada were also designated members of the central social enterprise committee of the Welfare Ministry, while the national savings encouragement committee of the Finance Ministry included Mmes. Sumi Ohyé and Moto Hani.

The Kwansai women's organizations were, however, the first to begin organized activities apart from the Government in connection with the China affair. On October 25, 1937, the All-Kwansai Federated Women's Organizations called a conference in Osaka, at which representatives of various women's organizations in twenty-five prefectures were present. At this meeting, the following principles were adopted:

1. To co-operate with the economic policy of the Government under wartime conditions by urging economization of consumption, preservation of resources, reformation of the mode of living, use of home-made goods, expansion of productivity, subscription to national

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bonds and encouragement of savings.

2. To enhance the physique of the people by encouragement of physical training; improvement of sanitation and proper nourishment.

3. To strengthen the home front by aiding the families of those summoned to the colours, gathering contributions to the military relief fund and urging mutual aid and public service.

4. To enhance the Nippon spirit by clarifying the national policy, renovating the educational system and explaining Japan's true purpose to foreign people.

Also the Kwanto Women's Organizations, under the leadership of the League of Women's Organizations in Japan comprising fifteen associations in Tokyo, commenced activity in December, 1937, with guiding principles similar to those of the Kwansai organizations. This was soon followed by vigorous activities sponsored by the Dai-Nippon Federation of Women's Organizations, the Dai-Nippon Federation of Young Women's Organizations and representatives of similar bodies throughout the country assembled in Tokyo.

The discovery that some women were making unnecessary purchases, thinking that it might be impossible to obtain certain articles in the future, led the League of Women's Organizations in Tokyo, the Tokyo Federated Women's Organizations and the Tokyo Women's Civic Association jointly to hold a meeting to check such practice. Those attending the meeting agreed on the following points:

1. To effect a thoroughgoing economy in consumption, not only refraining from purchases of unnecessary articles, but also prolonging the use of old necessities.
2. To encourage the use of substitutes.
3. To promote a general understanding of the national economic policy.
4. To urge the Government authorities to lower the prices of commodities when possible, and increase the production of efficient substitutes.
5. To urge the press to exercise special caution in dealing with news items concerning the restriction of consumption.

In September, 1938, the League of Women's Organizations in Japan sponsored a successful Exchange and Sale of Unneces-

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sary Articles. For three days, about 35,000 articles were exhibited and, though more than 10,000 visitors were admitted, many had to be excluded because of lack of space. The total sale amounted to approximately ¥51,000, with a net profit of some ¥1,100, which was donated to the national spiritual general mobilization fund. The Ohfukai also sponsored a similar affair during the same year with success.

In the summer of 1938, the Tokyo Federated Women's Organizations established the League for Home Economy in order to promote the security of home economic life. Surveys were made of the nutritive value of rice and fish, and a movement was launched in Tokyo and Osaka to discontinue the use of well-polished rice in favour of partly polished rice with the embryo. By September, with the co-operation of the municipal authorities and the rice dealers, partly polished rice with the embryo began to replace well-polished rice in Osaka homes.

As the shortage of commodities became intensified with the progress of time, the movement for economization of consumption was carried a step further in the recovery of discarded home articles. Housewives were shown the value of rags and metal scrap as material capable of being converted into usable commodities. The prefectural authorities of Tokyo fixed the official price of old newspapers to encourage the utilization of such waste. In all prefectures, organizations were created to devise ways of facilitating the recovery of the discarded articles.

During the air defence manoeuvres held in the Kwanto district in September, 1937, 90,000 neighbourhood fire-prevention groups were organized, comprising 1,200,000 members composed mostly of housewives.

The All-Kwansai Federation of Women's Organizations launched a movement on July 20, 1938, for contribution of blankets to the military service. The move, supported by woollen goods dealers, aroused such an enthusiastic response that more than 10,000 blankets were donated within ten days and the movement has been carried on since with satisfactory results. Because of the intense cold on the battle-front, the housewives in Osaka in

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September, 1937, mobilized thousands of sewing-machine users to make warm clothing for soldiers.

Direct services of women were also sought for committees organized to protect the families of those summoned to the colours, and organizations were created within the ward offices in Tokyo to assist the families of those killed or wounded, in the matter of grants and allowances.

The Patriotic Women's Association has given attention to the training of the future brides of war invalids by creating, in July, 1938, special training institutions at various places in the country. This question also engaged the attention of the Central League for the National Spiritual General Mobilization, which issued a notice to all its member organizations throughout the country in February, 1938. The first to offer to be the bride of an invalid was a nurse of Gifu City, who declared her determination to become the "two legs of that warrior" who was receiving medical treatment at the First Army Hospital in Ushigomé, Tokyo, after being sent back from the Hsueh front. Like the National Defence Women's Association, the Patriotic Women's Association has also been most interested in various works directly connected with the military service. The former now comprises 7,000,000 members and the latter 4,000,000, both growing rapidly since the outbreak of the China affair. It may be noted here that the Patriotic Women's Association was created at the time of the Russo-Japanese War, while the other body came into being shortly before the outbreak of the China affair. The principal services of the organizations have been the cheering of home-coming and departing soldiers, collecting comfort bags, clothes, medical articles, provisions, etc., for presentation to those at the front, visiting the wounded, sending gifts to the military and naval hospitals, as well as assisting the families of those summoned to the colours. They have also been using their good offices in arranging marriages for invalids. These two organizations have so far been co-operating with each other, but it is expected they will ultimately be merged into one group.

The calling of thousands of men from the urban and rural

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districts to the battle-front, inevitably caused an unusual labour shortage in both munitions and peace-time industries. Because of this, fewer women left the agricultural villages to seek occupations in the cities and women of urban communities swelled the ranks of munition factory workers. At some heavy industrial factories, female workers are now operating small-size lathes and the increased demand of the munitions factories for female as well as male labour has resulted in a shortage of women employees in spinning mills. Further, the shortage of maid-servants has become intensified under the situation. The demand for office girls has also increased remarkably because employers are engaging women employees temporarily until their male employees, who have been summoned to the colours, are discharged from military service. The shortage of labour has been felt all the more keenly because the applicants for positions have in many cases been unable to satisfy former standards. This is particularly true in regard to mechanical drawing, calculating, accounting and typewriting, which require technique and experience.

According to a survey conducted by the labour bureau of the Ministry of Welfare, there were 1,880,000 female workers in Japan at the end of 1937, of whom about 1,270,000 were engaged in factories, 72,000 in communications enterprises, 54,000 in mines and 480,000 classified as day labourers. Although the total number of female workers was less than half the total of 4,530,000 male workers, in factories the number of female workers amounted to 60 per cent. Of factory employees, the spinning and weaving industry engaged the greater number of female workers and at the end of 1936, the ratio of female to male workers in these mills was 8 to 2.

An increased demand for girls is an all-round phenomenon and a significant example is that experienced by department stores. Two years ago, a department store advertisement for 200 shop-girls resulted in more than 4,000 applicants. In 1938, even the first-rate department stores in Tokyo barely succeeded in obtaining the desired number of sales girls by repeating their advertise-

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ments and lowering the level of qualifications. A few years ago, the leading department stores insisted that applicants for positions as sales girls should be graduates from higher girls' schools or have a similar standard of education. Now the qualifications have been lowered to include graduates from primary schools, yet it is still difficult to obtain the desired number of employees. Among the reasons for this scarcity are that sales girls have to work in the presence of many strangers, that they have to stand on their feet all day, and that the wages are comparatively low.

The demand for new employees, however, is not limited to the urban districts. The women of the agricultural communities also have been displaying remarkable progress. At the time of the European War, Germany suffered from an intense scarcity of bread and other provisions. Many cases of illness due to undernourishment resulted and as many as 750,000 deaths were reported in the winters of 1916 and 1917. Fortunately Japan is self-sufficient in provisions, although many other natural resources are lacking. Therefore, the duties of the women of the agricultural districts are of the greatest importance because of the fact that their menfolk have been called to the colours in large numbers. The women of the agricultural community, therefore, besides their usual household duties, have to do the farm work for their own families, as well as help the families of those summoned to the colours. They must also co-operate with the young men's associations in the construction of roads and serve as members of the National Defence Women's Association. Some of them also have assisted in collecting savings and taxes and discharged the duties of village officers. In some localities, women have been appointed directors of the enterprise and accounting departments of agricultural associations.

At the joint farms managed by agricultural associations, women co-operate with the young men's associations in growing rice, wheat, vegetables, etc. under the direction of agricultural experts. With a view to improving living conditions, short courses in the manufacture of *soy* and *miso*, preserving of simple provisions, cooking of vegetables, washing, flower arrangement

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and manners are given, and arrangements made to care for their children, while the women are engaged in outside activities. Thus the women of the country districts have spent busy days since the outbreak of the affair.

Moreover, the various women's organizations launched a vigorous movement for a reformation of living conditions in February, 1938, in accordance with the three principles governing patriotism in the home, namely (1) promotion of the family tradition; (2) living a proper life; and (3) education of children to be good subjects of the Empire, which were outlined by the Central League for the National Spiritual Mobilization. The Government's policy for economization of consumption under wartime conditions contains the following five major points:

1. To discontinue the practice of exchanging gifts, save expenses of ceremonies, and discontinue or minimize the use of *sake* and tobacco.
2. To refrain from purchasing household and personal ornaments, postpone the buying of new clothes as much as possible.
3. To appreciate the value of such materials as metals, woollen goods, cotton, hemp, paper, rubber, timber, and fuel.
4. To discontinue the purchase of imported toilet articles.
5. To recover metal scrap, old woollen, cotton, hemp, rubber and wooden goods.

In January, 1938, the Catholic women of Japan, including the wife of Dr. Kotaro Tanaka, professor of Tokyo Imperial University, began a campaign to gather old clothes to send to destitute Chinese. During the same month, the O-in-kai, an alumnae organization of the Tokyo Women's Higher Normal School, prepared and sent thousands of pamphlets in English to the people of foreign lands to apprise them of the real intentions of Japan toward the reconstruction of East Asia. Tomoko Ohtani of the Higashi-Honganji (temple) visited North China in the winter of 1937 for the dual purpose of comforting the soldiers and interviewing influential Chinese women. To return the visit, a party of noted Chinese women, including the wife of Mayor Fan Yu-kuei of Tientsin, came to Japan in May, 1938. They attended receptions given in their honour by various

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women's organizations in Tokyo, Kyoto, Osaka, Hakoné, Yokohama, Nagoya and Kobe. At the proposal of the Women's Department of the Christian Association of Japan, it was decided to create an Airin-kan (good neighbourhood hall) in Peking under joint Sino-Japanese management, and in September actual construction of the hall was begun.

The Japanese woman is also playing an important part in the development of Manchuria. In the face of various restrictions imposed in other countries on immigration from Japan, Manchuria has come to be regarded as the only place left for Japanese emigrants. At the same time, the necessity of strengthening the bonds between Japan and Manchoukuo and promoting the development of the new empire requires large-scale emigration from Japan to that country. The Japanese Government has, therefore, worked out a programme for sending one million households to Manchuria in twenty years and the first part of the programme, involving the emigration of 100,000 households comprising 300,000 persons in five years, is now being executed.

So far these emigration plans have been concerned mainly with male emigrants. It has come to be recognized, however, that a successful emigration programme of this nature depends upon the active participation of women as well. Thus in recent months the new expression "bride emigrants" has been coined to denote the women who are going to Manchuria to become the wives of Japanese settlers. The Dai-Nippon Federated Young Women's Associations and the Federation of Women's Organizations in Japan have been encouraging the sending of young women members to Manchuria, and it is now expected that their activity will result in a large number of Japanese women migrating to Manchoukuo.

For countless generations the Japanese woman has quietly and modestly fulfilled her duty. Western writers have been unanimous in their praise of her, regardless of their praise or criticism of other features of the country. Now in this supreme emergency, the Japanese woman naturally and unhesitatingly shoulders her share of the additional burden.

JAPAN'S PERIODICALS—EXTRACTS

THE SPIRIT OF JAPANESE ART

Art is expressed through the three elements of nationality, tradition, and culture. It is only natural therefore that countries with different nationalities, different traditions, and different cultures should produce distinctive types of art, but it seems undeniable that art of the East generally differs greatly from the art of the West in fundamentals of expression. With due allowance for points open to question, European painting as a rule primarily takes the form of a sensuous experience and from that point emphasizes the visual effects of the object. Japanese painting, on the other hand, founded in a peculiarly Oriental tradition of spirit, perfected and refined through centuries of development, springs from lofty contemplative ideals. Its mode of presentation is therefore fundamentally different from the realistic exposition of an objective world, for the basic aim of a Japanese artist is to express his contemplative sentiment and soul by the employment of direct, pure, and poignant methods. It may be said that Japanese painting follows a way that has neither limit nor end, a way that runs through eternity. In other words, it aims to take an organic subject and express through it an inorganic spirituality, a symbolic presentation of a subject and its innate spirituality in their complete harmony. This necessarily leads to a process of symbolization which is an expedient way of grasping the spirit of the subject, a process called in the theory of painting *denshin*—literally the transference of the spirit. Only when the spirit of the subject harmonizes with the contemplative soul of the artist can the spirit transferred assume the character of the subjective mind and thus attain artistic heights, a phenomenon which is called "the expression of the spiritual tone." To do this an artist must possess a high born character and enjoy the environment of noble cultural ideals. Since the expression of this personal tone implies the expression of the spirituality of the artist himself, emphasis is not laid on the form or colour of the object.

To give a few examples, in painting flower and bird pieces Japanese artists not only give their thoughts to the beauty of floral

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exuberance, but seek in addition such elements as the loftiness of personal tone, the tenor of sentiment, the strength of vitality, and the glorification of personality. The artist strives to penetrate beyond what strikes his sense of vision and to grasp the spiritual elements latent in every object. This also applies to landscape painting. There is an ancient saying that the mountains of spring seem to smile, the mountains of summer seem to rise in wrath, the mountains of autumn seem to be adorned, and the mountains of winter seem to slumber. The pictorial presentation of mountains and their moods on a piece of silk will be impossible unless the spirituality within their outward forms is grasped.

A line in Oriental painting is a line to be sure, but in addition it contains a deep soul within itself. Indeed, a line may be so made as to express not only hardness or softness, strength or weakness, but even the whole gamut of human feelings and even the loftiness or the baseness of human sentiment. A line may mirror the individuality of not only the artist who paints it, but of any age that may be desired. There is in Japanese painting what is called *bisui*—brush expressions—which originated in calligraphic art. Each stroke of the brush may be expressive of anything; a rise or fall, a turn or a curve may actually breathe with life. The briefest form of such expressions is called *ten*, or point. In oriental painting the mode of expression is a continuation of brush (for the word "line" is not used in the Oriental artists' vocabulary) and *ten*. The whole form, needless to say, is a vital being with its own life, so its constituent lines and points are all vital beings, each with its own soul. Since they are thus each endowed with the artist's infinite spirituality, they are not lines or points in the sense commonly accepted in the West. The word "line" is used only because of the lack of a more appropriate term to represent it.

In Japanese painting, like in oil or water colour painting in the West, depiction may be achieved without the use of points and lines. This type of art is called *mottkotsu*. From the traditional point of view, however, importance is attached to the work with hair-brush and ink.

When painting on paper or woven silk some parts of the paper or silk are left untouched. This portion free from brush work is used in the case of landscapes to give distance to sky or water, thus imparting an impression of the vastness of heaven or the depth of earthly views. In the case of flower and bird pieces, the untouched

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spaces are often perfumed, so to speak, with the predominant sentiment of each season. It is characteristic of Japanese painting that the blank spaces are often more deeply significant than the delineations or the brush marks. This peculiar art of making untouched blank spaces assume a deep significance, a painting more significant because unpainted, springs from the contemplative idealism which dwells in the Oriental soul, the idealism that is identical with the doctrines of Lao-tse and Chwang-tse and the Zen philosophy of contemplation.

The doctrines of Lao-tse and Chwang-tse are schools of thought which flourished in ancient China, their main principle being the freedom of the mind in the fullness of contemplation. These schools of philosophy were introduced to Japan at a very early period. The Zen sect, which originally sprang from Gautama of India and later developed as one of the most outstanding divisions of Buddhism, falls into two schools: the northern sect which by means of scholastic pursuit aims to advance step by step toward the depths of inner contemplation; and the southern sect, which, without reliance on scholarship, but through the law of Karma, aims at the direct attainment of truth. All of these philosophies aim at the attainment of enlightenment, a state of mind attainable outside the realm of letters and language. The Japanese, however, have been imbued with an indigenous sense of simplicity, purity, and love of nature, so that the introduction of these concepts from India and China were accepted, absorbed, and developed in the most natural way. Inasmuch as these doctrines hold all worldly affairs unworthy of attention and wholeheartedly aim at the community of thought with nature, minds trained under their influence naturally take more interest in painting nature-objects such as mountains and stream, birds and flowers.

The East also has a distinctive type of ink painting; that is, a type of art which is presented only by the use of one colour of ink. Yet through one colour only an extensive range of thought and sentiment can be directly expressed and effectively presented. This is hardly surprising in the East where there has prevailed a type of art known as divination by ink writing. Through the study of a single character traced in black ink the diviner is able to tell not only the past but the future of the writer. How much more evident, therefore, must be the character of the artist when he has freely wielded his hair-brush.

It is said that ink has five different shades, and when a painting of this class is observed and studied, it must not only be "seen" but "read" by the mind. The East has an expression, "the reading of

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painting," which means not the appreciation of what is depicted, but the comprehension of the spirit of the artist through what is pictorially presented, the depicted object itself being a suggestion to the viewer's imagination. This means, for instance, that flowers drawn in one colour of ink serve as a medium through which the observer feels the presence of colourful bloom, green foliage, or the brown limbs of trees. This means not that sensation are excited by the picture, but that ideas within the observer's mind are awakened through the medium of its suggestion. This is accomplished not by exposition but by enlightenment through contemplation.

Five shades of ink may be developed by the art of ink work, but they mean nothing more than variations in the shades of the ink. These variations in the true and exalted sense of the term are to be found where the artist has simplified and symbolized all forms and colours of nature in one colour of ink. Only when this spiritual process has been mirrored and reproduced in the mind of the observer who is capable of "reading" the picture with his mind and only when the mind of the artist finds a true echo in the mind of the observer, will the five shades of ink rise to vision in all their distinctness. An appreciation of Japanese painting truly calls for culture, and this is especially true in the case of ink paintings. Observers lacking proper cultural attainments would find in them little more than blotches of black ink, and even if they did discern the five different shades they would still be far from "reading" the picture unless they could comprehend something spiritual beyond its ink and paper. All this is attained, even as wisdom is attained, in the Zen philosophy of contemplation.

Since olden times the Japanese have had puppet theatres. The puppets used are only figures after a fashion; but when they are manipulated by masters these figures will at once be transformed into vital beings with all the life and animation of a real actor or actress. The spectators are so captivated by their performance that they no longer feel the presence of men standing behind the puppets and pulling the strings. This effect is achieved when the puppet masters put their minds and souls into the puppets in their hands; and these lifeless figures at once are so inspired with life and spirit that they become vitalized and their performance strikes the audience as if they were truly alive. Their performance is so impressive not because it is an art presented through form, but because it is an art of mind and soul. As a symbolic art based on the scenario of *yoruri*, it cannot be fully

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understood unless one is also familiar with the scenario. For this reason, one who is thoroughly familiar with the scenario may be able to visualize in full the puppet stage even if he only hears the scenario recited. This will also be a case of "reading" paintings. When the artist has put all his mind and soul, all his life-force in vitalizing what he depicts, be it only a blade of grass or a small tree, then what he produces will be full of his own spiritual life which must strike the heart of the spectator with its inexorable force.

The spirit of patriotism and loyalty now so fully displayed in this period of emergency is typical of the racial mind of Japan. It is the true spirit that has pervaded and vibrated through the fabric of our national life since its earliest days. And in the domain of art, too, only works alive with this spirit are valued. All the masterpieces that have been handed down through the centuries are those which were inspired by this everlasting spirit. It is for this reason that such works are so unchanging in their value and are today as potent an influence on the spiritual culture of the Japanese people as when they were first conceived. It is this art of the soul, this art of the true national spirit that distinctly reflects the Japanese character.

For the past three-quarters of a century Japan wore the garment of European civilization. We were only too happy to don it and we got so accustomed to it that we failed to be critical of it. But when the country faced a crisis, we became more conscious of our own selves in the field of spiritual culture, and the time came when we should gradually shed the garment that had never really fitted us and return to our own true costume, the form that is as old as the history of our country. In the realm of art as well, the stage is about set for that great change by which our artists will return to the art of the soul, the art of the national spirit, for the advancement of their true mission.

The works of Japanese masters of all ages may be extolled for many reasons. When they portray ancient savants they emphasize their virtue to promote the ways of faith and loyalty; when they depict landscapes they deepen the love of all that nature bestows. The aim and message of pictorial art is that force which enables the spectator to be transported mentally to that realm of enchantment which lies deeper than what is before his eyes, and to that power by which one is able to discern the truth of morality for the consummate fulfilment of the spiritual life. This can never be achieved save by lofty minds. The true art of painting is not the skill of wielding the brush; it must

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come from the sentiment of one who is well familiar with the tradition of the country and faithful to the intrinsic character of the race. Our masters of succeeding ages took over the legacy of the past and in all faithfulness to its traditions produced their original works. Those who regard painting in the light of what may serve pleasure or what may be used only on panels or walls do not understand its true object. An ancient sage said that each country has its own learning and ideals; painting is a cultural influence which promotes morality, explores the depths of heaven and perceives through to the end of the earth, thus equalling the widest erudition in bookish knowledge. It indeed behooves us who follow this profession that we should through our achievements in our own field, prove worthy of the peerless nationality that is ours.

A painting is valued as much as its artist is worthy. The high standard of painting has been maintained in Japan because its masters have through all ages kept their minds high and their thoughts aloft. Men in all walks of life, not barring emperors and princes, have often attained the height of culture only after they had applied themselves to the art of painting. If personality is high, the tone of painting must be high; a painting is excellent only when its expression is exalted and full. Otherwise, whatever skill and thought may be used, the work will be no better than what a common artisan-artist produces.

Art and racial traits are as closely related as perfume and flowers, and personality and art are one and the same. It takes a true genius to paint the dragon and the tiger, the one symbolic of the Imperial throne and the other of the highest order of valour. Without the virtue of a savant, one cannot portray the ancient sages. Without a sense of elegance, one cannot depict floral beauty. One who has never known the joy of friendship is unable to paint happy birds at play. The artist who is ignorant of history or tradition can hardly hope to bring forth the essence of ancient life with his brush. The weakhearted can never conceive the majesty of nature any more than the unclean can picture a noble heart. The great way to the spirit of Japanese art may be opened only by some personality who can rise as high as the heritage of the country.

—Taikan Yokoyama (*The Kaijo*, June, 1939)

THE ARMY'S TRADITIONAL CONTINENTAL POLICY

In recent years it has become fashionable in the West to attach sinister motives to the policies and operations of the Japanese Army

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on the continent of Asia. The history of Japan's military relations with the mainland from the time the first military mission was sent to North China and Manchuria in 1871 to the present day, however, reveals a remarkable consistency of policy which may be summed up under two principal objectives: checking the penetration of undesirable Western influences which might prevent Eastern Asia from achieving independence in the full sense of the term, and promoting effective co-operation between Japan and her continental neighbours. It is my firm belief that no other organization or power has ever attempted to help China more enthusiastically than the Japanese Army. This traditional policy took definite form when General Soroku Kawakami was Vice-Chief of the General Staff, and it is no exaggeration to say that the Army's continental policy has adhered to the basic principles which General Kawakami initiated.

I do not pretend to have a full knowledge of General Kawakami's policy, but it may be conveniently summarized in three stages. Actuated by a sincere desire to develop Eastern Asia in the face of disturbing Western influences, the General planned to find a powerful collaborator in China by making her carry out a drastic reform programme. The preliminary stage of this policy was marked by the activities of Mr. Sei Arai and others under instructions from the General Staff with Hankow as the base of their operations. By 1890 a Sino-Japanese Commercial Institute was organized by Mr. Hajime Nezu, apparently for the purpose of training men needed in the new field. China, the self-styled "Celestial Empire," however, did not welcome any Japanese approaches for co-operation, but on the contrary looked down upon this supposedly small and weak island empire. His efforts blocked at every turn, General Kawakami finally reached the decision to strike a blow at China first and then make her co-operate in developing Eastern Asia after her affected arrogance and contempt had been dispersed. To deal with a country which had the century-old tradition of being the centre of world civilization and which was utterly blind to the trends of the modern age, it was perhaps inevitable that the General was compelled to resort to such drastic methods.

Thus the Sino-Japanese War of 1894-95 broke out and ended in a miserable defeat for China, completely stunned by the totally unexpected strength of Japan. With the conclusion of peace, a movement for Sino-Japanese co-operation swept over both countries, a vindication of General Kawakami's predictions. To seize the

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opportunity, General Akashi sent Generals Yasumasa Fukushima and Taro Utsunomiya to China, entrusting them with the important mission of prevailing upon the military and civil governors of the provinces to seek a *rapprochement* with Japan. They succeeded, and the ground was thus prepared for the engagement of a large number of Japanese instructors and advisers.

The remarkable change in relations between the two countries before and after the war deserves careful attention. The Japanese military authorities, including General Kawakami, conducted operations against China not to conquer the country but to prepare the ground for co-operation. Utmost care was taken to leave no cause for future trouble, but to remove as far as possible the difficulties which had stood in the way of co-operation. At the same time, this purpose had to be reconciled with other considerations. Yet the Army was successful with the entire programme: China ceded Formosa to Japan and paid a large war indemnity, but at the same time willingly responded to Japan's offer of *rapprochement*. This fact claims close attention at the present moment.

The mantle of General Kawakami was taken over jointly by Generals Motojiro Akashi and Taro Utsunomiya. The former's services in the administration of Korea are too well known to be recounted here. General Utsunomiya's contribution to Sino-Japanese *rapprochement* are not so well known simply because he worked strenuously but secretly in the advancement of his cause. Following the termination of the war, he was sent to South China under instructions from General Kawakami. Visiting the military and civil governors, he urged them to co-operate with Japan in checking Western influences and in placing the independence of Eastern Asia upon a firm basis. As a result, many of the governors engaged Japanese military and civil advisers and instructors. At the same time, each year saw an increasing number of Chinese students going to Japan from South China.

In 1901 General Utsunomiya was assigned to the Japanese Legation in London as military attaché and was there when the Russo-Japanese War broke out. He co-operated with General Akashi, who was then sojourning in Northern Europe, in working out and executing a plan for curbing Russia from that sector. After the war he returned to Tokyo and in 1908 was appointed Chief of the Second Division of the General Staff, holding that post for seven years during which he carried out his long-cherished plan. Resident military

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officers were stationed in Shanghai and French Indo-China, and the writer, chosen as one of these resident officers, first embraced his Greater Asiaism under the influence of the General.

Soon after the close of the Russo-Japanese War I was sent to Peking where I found many Japanese advisers and instructors engaged by the Chinese Government. They were strenuously helping China to become a powerful state and striving to secure co-operation with Japan in establishing lasting peace in this part of the world. Such instructors and advisers were already engaged even by the provincial government of Szechuan, while the number of Japanese military instructors in Tientsin and Paotingfu totalled no less than twenty. Most of them wore wig queues and spoke Chinese in their sincere efforts to rejuvenate China in military, scientific, and economic fields. I was at that time an assistant military attaché serving under Colonel Nobusumi Aoki, and the other attachés included Sadajiro Abé, Shinroku Inamura, Takemé Machino, and Hidetake Teranishi, while at Peking were such diplomats as Gonsuke Hayashi, Moritaro Abé, Kumataro Honda, Koki Hirota, and Torikichi Obata. In all this work, it is my belief that the Japanese military took the lead in the movement for Sino-Japanese *rapprochement*, though due credit must go to the diplomats and business leaders. Japanese efforts were reciprocated by such Chinese leaders as Chang Chih-tung, Yuan Shih-kai, Liang Pi, Tsen Chun-hsuan, and Tuan Chih-jui. In those days at Peking it appeared that the time was not far away when the ideal of "Asia for the Asiatics" would be realized.

The collapse of the Ching Dynasty, however, changed the entire situation and everything had to be started from the beginning again. With the advent of the Kuomintang Government, relations with Japan were consistently aggravated by a systematic anti-Japanese policy, producing that long chain of incidents which finally culminated in the present hostilities.

The policy of the Japanese Army toward China, however, has undergone no change since General Kawakami first formulated the ideal of Sino-Japanese co-operation almost half a century ago. Japan still seeks China's collaboration and the development of Eastern Asia, and I am convinced that the Japanese Army is still the most powerful force for the eventual realization of this objective.

—General Iwané Matsui (*The Shina*, June, 1939)

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EXIT LITVINOV

Mr. Maxim Litvinov's resignation of the post of People's Foreign Commissar follows on persistent rumours to that effect ever since the Munich Conference last year. It was especially during the period 1934-1937 that the Litvinov foreign policy of consolidating the collective security system in Europe was at its zenith, but from early last year the course of European politics began to run strongly against him and his prestige was on the decline. Nevertheless, when the British policy of encircling Germany began to take shape early in the present year, it looked as if fortune were once more smiling on Mr. Litvinov. For Britain approached Russia, and Anglo-Soviet negotiations for reciprocal guarantees were begun with a view to a tripartite agreement with military-aid clauses on the part of Great Britain, France and Russia. Then just when negotiations had reached a most interesting stage, Mr. Litvinov's dismissal was suddenly announced by the Highest Council of the Soviet.

Inevitably the whole world is asking what is involved in this surprising dismissal. Does it mean a complete change in Soviet foreign policy? Will the British plan for encircling Germany fail?

Great Britain in particular must have received a shock from Mr. Litvinov's dismissal right in the very middle of the Anglo-Soviet negotiations, and on May 7 Sir William Seeds, British Ambassador to Moscow, inquired of Mr. Vacheslav Molotov, the new Foreign Commissar, if it meant a change in Soviet foreign policy and, if not, whether the Soviet Union still intended to continue with its proposals regarding a military alliance with France and Britain. To this inquiry Ambassador Maisky is reported in a London dispatch as having replied with an assurance to the British Government that Mr. Litvinov's dismissal made no difference to the foreign policy of the Soviet Government.

If this is true, then we are expected to assume that Mr. Litvinov has been dismissed on purely personal grounds, a most unlikely assumption, in view of the fact that the Moscow Government had many opportunities of dismissing Mr. Litvinov before without waiting for the very moment when he was engaged in negotiations with Britain on a most important international issue.

We cannot ignore the fact that recent Soviet foreign policy has very cautiously been seeking to avoid being involved in a European war and so has tended towards isolationism. In the current Anglo-Soviet negotiations, when Russia proposed that the Far East be included

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in the scheme of collective guarantees, this must have been in the expectation that Britain would never accept it. The Soviet Union wants to do everything possible to avoid being involved in war. Yet, if the tripartite military-aid agreement should eventually be concluded, it is bound to have the effect of stimulating Italy and Germany to a still closer association; and, in the event of war between the totalitarian and democratic Powers, the Soviet Union would have great difficulty in avoiding being involved in it. Ironically enough, although the Anglo-Soviet negotiations are intended to bring pressure against Germany and Italy, it is the Soviet Union that is being drawn nearer a war. The Soviet Union, so to speak, is actually inviting the war it wishes to avoid by the excessive emphasis of its peace policy.

So we may assume that Mr. Litvinov entered into negotiations with Britain as part of his policy of collective security, but got himself inextricably involved in a situation that went beyond the limits of Soviet foreign policy. By worrying too much over the German menace he placed himself in a difficult predicament that, we may imagine, astounded Mr. Stalin and other Soviet leaders. Hence their dismissal of Mr. Litvinov and their appointment of Mr. Molotov, Chairman of the Council of People's Commissars, to hold concurrently the office of Foreign Commissar, the intention being to slow down the negotiations for a reciprocal military-aid agreement and to return to the original Soviet foreign policy. In that case, we must read the afore-mentioned London dispatch, which stated that Mr. Litvinov's dismissal involved no change of foreign policy, as, in fact, meaning just the opposite.

So the interesting question arises who will be responsible henceforward for Soviet foreign policy, since Mr. Molotov's appointment can be regarded as only a temporary expedient. By general consent, the strongest candidate for the post of Foreign Commissar is Mr. Vladimir Potemkin, the present Foreign Vice-Commissar. Pending a permanent appointment, Anglo-Soviet negotiations are likely to be postponed, or at least slowed down, with every possible effort being made to return to the former Soviet policy. Many are wondering how far Soviet policy in the future will go towards Germany, since the Litvinov resignation might be taken as itself evidence of a *rapprochement* towards that country. Complete Reich-Soviet accord is, of course, difficult of realization, yet we may summarize as likely the following aspects of Soviet policy towards Germany.

1. The Soviet Union would tacitly agree to a settlement of the Danzig and Polish Corridor issues, if this constituted the maximum

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demand of Germany and she had no desire to reduce Poland to the position of a second Czechoslovakia.

2. The promotion of German economic interests in such a way that the Soviet Union may mitigate Germany's possible penetration into the Ukraine by diverting her attention rather to the southwest.

3. The entrance by the Soviet Union into such a separate guarantee agreement with its neighbouring countries as to achieve a sense of frontier security and at the same time to liquidate the excesses of the Litvinov foreign policy.

That this will characterize the new foreign policy of the Soviet Union in Europe is regarded as highly probable, although it is not likely that, in consequence, the Soviet policy in the Far East will suddenly become vigorous. For the main object of its foreign policy is to lessen the heavy burdens of frontal warfare in both East and West simultaneously; and since the Soviet Union is hardly able to achieve a sense of absolute security in the West, it will not all at once take up a vigorous policy in the East.

The Soviet Union is fully occupied with its efforts to escape from a war crisis in Europe and is very nervous all the time lest Germany should direct herself to the Soviet frontier, and, for this reason, the Soviet will tend to go very slow with its eastward advance. To achieve this object it may eventually enter into separate negotiations with neighbouring states to protect itself against Germany. That is to say, the Soviet Union is fully occupied with its own protection and, because of that, its policy of isolation is likely to become more pronounced than ever.

—Kenji Kadotani (*The Konnichino Mondai*, June, 1939)

THE CHARACTER OF JAPANESE WOMEN

The character of any nation is perhaps best revealed in the realm of its art and literature where the inner phases of national life are often preserved most fully and truthfully. In the case of Japan, many characteristics peculiar to the race are found first and foremost in what is called *Yamato Kotoba*, or the language of the Japanese people, and it is a significant point that this language is highly tinged with feminine tones. The form of speech prevalent in the Kwansai district where cultural life first flourished in ancient times is conspicuously marked by the feminine influence, a phenomenon explained by the leadership which women assumed in the development of early

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society. It is because of this fact that Atsutane Hirata, classicist and leader of the nationalist movement of the eighteenth century, thought that Hiyeda-no-Aré, who recited the *Kojiki* that had been handed down from primitive ages by word of mouth and first had it set down in letters by Chinese classical scholars, was a lady of the court.

It is likewise for this reason that the first purely native form of Japanese literature which developed in the Heian period was highly feminine in nature. The types of Japanese women presented in Heian literature show that they had attained a very high order of intellect and sentiment. It is not surprising, therefore, that their literary products bear close resemblances to the modern works of the West. For example, the *Genji Monogatari* (Tales of the Genji) rendered into modern Japanese and foreign languages has been universally read as a modern piece of literature and all the more appreciated because its outlook and method of presentation are essentially modern in character.

It is also of interest to note that there are distinct parallels between Japanese women of ancient ages and modern women in the advanced countries of the West. Herbert Spencer, in commenting on the character of George Eliot, seems as a matter of fact to have presented his own ideal of English womanhood, and what he said of her might aptly apply to the character of Murasaki Shikibu, the authoress of the *Genji Monogatari*. The only point of difference between the two is that Lady Murasaki was less self-abnegating and therefore less generous in her judgment of other people.

The type of Japanese civilization developed in those ages undoubtedly accounts for this resemblance between women of the Heian period and women of modern times. The character of Japanese women manifest in early literature was accentuated in the period of military feudalism that followed. Frequently women belonging to the samurai class assumed a definite masculine character. But that masculinity had become more pronounced in the women of the feudal period, was not a product of the military organization which prevailed. This may be easily surmised from the fact that the earliest period of national history witnessed the Empress Jingo, whose name has been handed down in all the glory of a military leader. Even earlier, there was the Princess Sa-o who became the consort of Emperor Suijin, a distinct type of womanhood capable of great fortitude. It is evident that Japanese women have not owed their strength of character to the institution of military feudalism.

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During the period when Japan was torn by feudal warfare, Japanese women were seen less as strong or powerful characters than as social forces exercising a definite influence upon the character of men. To be sure, there were masculine women like Tomoyé Gozen who proved herself more than a match for men bred to arms on the field of battle; but she was like the proverbial exception that proves the rule. In those ages of internecine warfare the feeling of charity was always regarded as one of the more important virtues that honoured the military profession. This should be indicative of the influence women exerted on a feudal society which was often ruled by a spirit of warlike severity. It is no less remarkable that the influence of women had no enervating effect on the warrior mind. It must be admitted that the virtue of charity as idealized by the warriors was not without tinges of effeminacy, but this feeling was not altogether foreign to the minds of even the bravest or the most truculent. Kumagai Naozané, when forced to behead a young general of his son's age, could perform the deadly deed only with a sense of remorse which later compelled him to seek comfort in monastic seclusion. His sense of compassion was not of religious motivation, but an assertion of a character that had developed under the historical influence of Japanese womanhood.

Sanetomo, who was third to head the Kamakura Shogunate, was so captivated by the cultural life of Kyoto that he refused to accept the maid offered in marriage by a feudal lord of the more rustic Kwanto region and instead sought his consort from the court nobility of the capital. He indulged himself, as the sturdy warriors of Kamakura accusingly said, in the pleasures of letters and music, on account of which he was called effeminate. He represented the third generation of the warrior family that had come under the influence of a court life that was considered enervating, but, nevertheless, he was capable of greater moral strength and mental intensity than many fighting men whose minds were supposed to be as stout as their sinews. His breadth of view and his dauntless character were seen in the order he issued when he was in his twenties for the construction of enormous vessels which were to have taken him and his men to China, whatever may have been his object. Externally he appeared soft to the point of femininity, but internally he was as masculine as the best of warriors. The masculine side of his character had been moulded under feminine influence even as the entire cultural life of Kyoto he found so attractive had been moulded.

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The character of Japanese women has thus always influenced the inner life of men. At the same time, there have been some women who have even out-manned men in masculinity. In the early period of military rule when lordly dictatorship held sway as never before or after, we find such female characters as Masako Hojo, a figure worthy of the sterner sex. Later there were such women as Kasuga-no-Tsuboné and Asaoka, the former renowned for her military ability and the latter one of the most celebrated figures on the *kabuki* stage. Yet it was during such times when women were achieving historic fame that the expression "women are unworthy of knowing of those things" won currency. It is not improbable that this type of expression would never have been uttered and echoed but for the fact that women took such a lively interest in the affairs of their lordly consorts. But, quite unlike China, Japan has had but few instances of excessive interference by women in the affairs of men.

The influence of women is seen mostly on the emotional side of masculine life, but this does not imply that they have failed to be an intellectual force. From early times Japanese society has produced women of high mental capacity, as shown in the earliest poetical anthology, the *Manyoshu*, and their talent blossomed forth in literary glory in the Heian era. In the ages that followed, however, women of talent became rare, both in art and in literature. This was because of the fact that women were relegated to the background of social life when the country was placed under a military régime, and they ceased to play, as before, their part in the cultural life of the family and the community. However that may be, toward the close of the period of internal wars, the province of Izumo produced a woman play-wright and producer of distinction named O-Kuni. And it was she who originated the *kabuki* drama. This type of dramatic performance was first called *kabuki*, meaning the music and dancing of women, and, as its name indicates, it was an artistic achievement of feminine talent that had found its expression in the cultural life of the people even under the least encouraging conditions.

During the Kamakura period when the military regency was first put in force, the educational functions of the country were transferred to the Buddhist monasteries. *Terakoya*, originally meaning the small house at monasteries, sprang up in all parts of the country as new institutions of public education. When these places of learning were transferred from a religious to a secular environment under the régime of the Tokugawa Shogunate, there were not a few women to

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be found teaching the art of calligraphy, one of the two important branches of social accomplishment in those days. Following the restoration of Imperial rule in 1868, a number of private establishments of better repute were transformed into elementary schools. The principals of many of these institutions were thus former mistresses of calligraphy. In Tokyo there were several such schools with women principals. Some of the poetic compositions that have been preserved from their days, show that these mistresses were worthy of the positions they held. For instance, Shigeko Kawamura, who was a young woman when she founded a girls' school named after herself, has left a poem of brief syllables expressive of her sentiment toward the conditions through which the country was passing in the early part of the Meiji era. It may be rendered as follows: "Because I fall asleep with my mind full of thoughts of our Sovereign and our country there is no night but my sleeves are made wet with tears." Nao Shinohara, who had become a school principal in her advanced age, left a poem which may be translated, "The spring that is as old as the field it waters is as clear as ever because its clearness mirrors the age in which we live." Here one finds women whose minds moved on a high plane. And it may be said that one can discern here the part that Japanese womanhood began to play in national life at the dawn of history, a rôle that has been preserved as one of the legacies of the past for its beneficent influence upon the life of the nation.

—Nyozeikan Hasegawa (*The Shinjoen*, July, 1939)

JAPAN'S GROWING CINEMA INDUSTRY

A few critics maintain that the Japanese cinema has deteriorated in the past two or three years when the peak was attained with such pictures as "Sisters of Gion" and "Sobin" (Poor People). But like many other culturally-minded people, scenario writers are struggling with adjustments necessitated by the China affair and the severity of official censorship. In particular, narrow-minded censors—though they perhaps cannot help themselves on account of the trend of the times—are depriving the Japanese cinema of depth and breadth. Demands for extreme forms of "soundness" and "morality" are making pictures flat and transparent. Even the depicting of really villainous politicians as villains is prohibited (*viz.*, "The Street of Uniforms") and scenes of extreme poverty true to life are perfunctorily cut. In such circumstances, it is only natural that no works with

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any deep grasp of reality should appear. For example, note the type of ending popular in current photoplays. The Japanese cinema faces a real artistic danger with such invariably happy endings as starting for the continent or being called to the colours to fight in China. The over-aroused "consciousness of the times" is turning out silly and dull "pictures of the times" with pretentious prologues and trite endings. And despite the stirring war-cries, news pictures and cultural films are stupid and vulgar. This is indeed a dangerous tendency.

In view of these prevailing defects, the Japanese cinema ceased to progress with the outbreak of the China affair, if it has not actually deteriorated in quality. Nevertheless, there are still a few points in its favour. The pursuit of the bizarre and the sensual drama, so much in evidence a few years ago, has disappeared. This alone is a healthy sign. Regardless of control and other factors imposed from the outside, scenario writers have visibly taken to looking squarely at man, society, and nature, and are trying to discover the real aim of life. Yet even such a quest is more or less limited in scope by the long arm of the censor. There seems to be a considerable handicap to any attempt to probe to the depths of social evils and conflicts among Japanese themselves in order to seek the path which the Japanese of today should walk. But if it is true that the stone wall of censorship has brought the Japanese film to its present low level, it is no less true that scenario writers are pursuing their quest of truth right to the very edge of that formidable barrier. There is thus still cause to hope for an eventual improvement which will rescue filmdom from its plight.

In this respect, the war has had a salutary effect on the cinema. The mental attitude in question has in it elements which are capable of convincing us that the Japanese cinema can advance in spite of the heavy handicaps. In this respect, the splendid vizualization of the "House of Work" by Mikio Narusé is significant. That he should have advanced so far from the weak lyricism of "After Parting from You" and "My Wife, Be Like a Rose" to such a firm grasp of life, is full of meaning not only for himself but for the Japanese cinema as a whole. I once had occasion to write in this magazine that unless Narusé discarded his feeble sentimentalism, it would be difficult for him to re-establish himself as a modern producer. Narusé was not too dull to realize this nor too cowardly to run away from reality, for it is now evident that a pretty, sad love story is for him no longer an adequate

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theme. His countrymen are giving their lives on the battlefields of China; the killed and wounded have returned near him; and small business men and farmers are leaving their homes for Manchuria. These tense and pulsating scenes of life have turned Narusé from maudlin sentimentality to realism.

Tomotaka Tasaka, producer of "The Five Scouts," "The Stone by the Wayside," "Droning of Aircraft," and "Earth and Soldiers," who has now turned to China for his inspiration, impresses one as the representative cinema producer of this country. Whatever the merits of his work, the fact that such a producer has become popular attests to the healthiness of our motion pictures today. At the time he undertook "One Road of Faith" the sentiment of the average movie-goer was not ready to appreciate his sincerity. The public did recognize sincerity as one of the qualities of a producer as important as ability and talent, but the public was not prepared to regard it as the highest talent. The world was peaceful then. There were such phrases as "grasp of reality," "conquest of darkness," but people were then not so anxious as today to uphold such values. It is only natural that in such times sincerity has little attraction. People are more attracted by forms—bizarre technique and unique colours, oddities and clever devices. But times have changed, and the public now feels that unless reality can be grasped with its own hands and experienced with its own mind, there is no escape from doom.

Such is the background of Tasaka's popularity today. To regard it merely as a simple comeback without taking cognizance of this important change in times would be a mistake. And it would be a mistake not merely in judging Tasaka's work but in gauging the trend of the Japanese cinema generally, for the great strides which he made since producing "The Five Scouts" should not be regarded as an individual success alone, but as indicative of the progress of the nation's mental attitude which has made such success possible.

The mental attitude of probing into reality and searching for the aim of life is, of course, not peculiar to only Tasaka and Narusé. The fact that such an attitude is now characteristic of the Japanese cinema indicates, more than the presence of these outstanding producers, its true dimensions. Even in the more commonplace productions its influence can be seen. For example, the Shinko Picture Company's *naniwabushi* film "The Way of Zeal" in which singing in the *naniwabushi* style is featured, reflects this healthy tendency. The father in the story, who is fighting at the front,

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collects empty caramel boxes and sends them to his poor children. The general theme of the picture follows the wartime pattern, but the sincerity of heart depicted is something that was rare a few years ago. Even in portraying a leisure class lady of fragile virtue who reforms to become a chaste wife, pictures of such a theme a few years back did not have the healthy air as found in "Pepper Son." Not all the films produced today can be commended as particularly good or distinguished, but it is in the commonplace, the so-called low-brow pictures, with all their bad elements, that the characteristics and trends of the day can best be discerned.

Some critics deplore the fact that there is a vogue for literary productions, but this attitude arises from an inadequate grasp of the present situation. To think that there is something essentially different between producing a film from a literary work and turning out a picture from an original scenario is a puerile misconception. Nevertheless, critics of this mind are hampering the development of the Japanese cinema. The tendency to go to literary works for material indicates the fact that literature today has a comparatively deeper insight into life and society, and it is not only logical but desirable that film producers should dramatize the best works of fiction. Even with allowance for the various artistic barriers between the novel and the photoplay, the attempt to depend upon literature for a grasp of reality should not be condemned.

I have heard that in order to "shoot" the sequences in "Earth and Soldiers," the actors cut their hair short *à la soldat* and marched out of the studio gate in uniform like regular soldiers. This attitude is something new. And in the filming of another picture the cast actually lived the life of real farmers for several days in order to get in the proper frame of mind for their rôles. I do not insist upon the commendability of such actions, but this willingness to co-operate with directors in their quest for sincerity has had a material influence on the tone of modern pictures, a type of earnestness which was quite rare before the China affair.

In the same connection, mention should be made of the prevailing standards by which the public judges the popularity of a star. The former norm of mere facial beauty has been discarded, and in its place has been substituted the rugged sincerity found in such players as Isamu Kosugi, Den Obinata, Shin Saburi, Yukiko Todoroki, and Mitsuko Mito. For the same reason, players in minor rôles are now more popular, such as Teikichi Kawamura, Mitsuko Yoshikawa,

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Bontaro Miyaka, Reizaburo Yamamoto, Kensaku Hara, and Chishu Ryu. Instead of merely skilled entertainers, the public now demands players with an earnest attitude.

The best example of this is seen in the case of child stars. Akihiko Katayama of "The Stone by the Wayside," Bakudan-Kozo of "The Four Seasons of Children," and Fumio Hayashi of "The Cry-Baby" are typical of the new part which children play in present-day films. Child actors are no longer employed merely to add to the pathos of sob-scenes. They are now made to portray the innocence, purity, and simplicity of childhood for its own beauty. What was the situation in this respect a few years ago? Shirley Temple and Etchan were handled as the playthings of adult actors and actresses, but now children have a definite assignment of their own.

The recent development of the Japanese cinema, therefore, cannot be judged by improvement in technique or the number of pictures without glaring defects. Rather, it is the sincerity of attitude, the consciousness of the reality of life that must be considered. Even if there has been no growth or material progress in the literal sense, we may say that a substantial foundation for subsequent development has been laid. Consequently, merely to condemn the flaws that we find now would be unjust. Instead we should recognize the fact that, despite the handicaps mentioned before, the Japanese cinema has at least pointed itself toward a most desirable goal. It is also necessary to realize that the movie-goers themselves have been partly responsible for this sound tendency. Their demands for better, more sincere pictures has been as important a factor as the skill and ability of scenario writers and producers. The movie-goer does not participate in conferences of cinema directors, but he nevertheless can dictate the trend of motion pictures just as effectively by his presence or absence from a seat in the theatre.

The healthy tendency I have emphasized is not, however, entirely free from the dangers of a breakdown. What is to be feared most at present is control and demands for formalism. I have felt this danger of formalism even in such a distinguished picture as "The Earth." It is best represented by the much-discussed doctrine of pure record. This is a silly notion, for since the fundamental character of the photoplay is to film things, to record scenes of life on films, a realistic record is most essential. As an art, however, the cinema is not a mere copy of life as it is lived, for some selection is, of course, necessary. Yet the function of reproducing reality must be clearly recognized as a means

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of creating something artistic. I call this doctrine of pure recording sheer formalism because it represents that tendency to substitute the mere photographer's skill for reality.

Control over the cinema today is drastically eliminating the dark side of life from the photoplay. Everything on the bright side may be a happy ideal but it is not reality. If the art of the photoplay is nothing but the portrayal of ideals through reality, a picture in which there is no vice and no dark sides can only be empty and meaningless. The mental attitude of the people, anxious to live through today and to grasp reality for tomorrow's efforts, has made the Japanese cinema sounder and more wholesome. Both cultural criticism and official control should be directed toward keeping these qualities alive.

—Kozo Uyeno (*The Chuo Koron*, June, 1939)

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ALIENS IN THE EAST. By Harry Emerson Wildes. University of Pennsylvania Press, Philadelphia. pp. 360. \$3.00.

The use of the word "Aliens" in the title is somewhat surprising, but it is deliberate. Nor is it used in the original classical sense of merely foreign, but rather as in modern immigration laws and regulations, which convey the impression that an alien is an undesirable person. In the last chapter of the book, entitled "The Past Explains the Present," the author definitely concludes:

Japan has never liked the foreigner. The machines and manufactures, the war munitions and the markets which the aliens offered have been fully utilized, but every effort has been made to keep the foreigners from corrupting the pure spirit of the Empire with unwanted and disapproved ideas. By the silent force of social ostracism, by pressure of official propaganda, the Japanese have kept the foreigner subordinate. The tendency is not now likely to suffer a reverse. (p. 332)

Accordingly the picture this book presents, or, more correctly, tends to present, is that of five hundred years of effort on the part of foreigners to come into some sort of association with a country, neither whose government nor people was pleased to see them but would have always preferred their room to their company. Nevertheless, in using the expression "tends to present," one is paying a tribute to the fundamental honesty of the book. The author's reading of the facts he presents is that the Japanese were and are always fundamentally antagonistic to foreigners; but, all the same, the author has been so loyal to all the significant data relevant to Japan's foreign intercourse over the period covered, that he presents many facts which bear a very different interpretation to that which he himself prefers.

To mention only a few of them. The case of Will Adams and the attitude of that famous English pilot shows the authorities and people alike quite willing to treat foreigners as friends rather than enemies. Then the generous gifts of necessities and other forms of assistance which, even during the period of seclusion, were lavished on visiting or stranded vessels with a stern refusal to take any sort of payment, cannot easily be explained away as due to that excessive politeness which

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a people so naturally courteous as the Japanese would be only too pleased to show to the guest whom they were only eager to speed away. There is a strong indication of a genuine kindliness of heart towards strangers. In addition to this Mr. Wildes gives various examples which show how almost childishly curious the Japanese people have always been towards foreigners, crowding their ships, whenever they had the opportunity, in a friendly and sociable way. And curiosity is often the first step towards affection. Nor was it only crass common sense that made the Japanese so eager to imitate and adapt foreign things and manners. One cannot imitate without, at least, respect. Indeed certain foreigners who know Japan well hold a very different view from Mr. Wildes', declaring that, if anything, the Japanese are too much inclined to admire foreign men and things.

Fortunately, as has been said, this book is so honestly written that it affords ample material for discussion on what is the real attitude of the Japanese people towards "aliens." In fact, although in his foreword the author announces that the purpose of the book is to disabuse the American public of the naïve ideas they entertain about Japan's attitude towards America and the West generally, which they assume to be one of grateful appreciation, the book can be read with profit and appreciation by all those, including the Japanese people themselves, who wish to have presented in compendious form the main facts regarding Japan's international relations. One may doubt if another book exists which, in such comparatively small compass, gives such a vast amount of information on that subject. It actually seems to bristle with details, despite the fact that an immense amount of compression must have been used to get so much within the limits of 360 pages.

Among the many interesting points brought out by Mr. Wildes, three seem particularly interesting. The first is the nature of the Dutch relationship with Japan and the extent of their trade. Mr. Wildes' purpose is undoubtedly to show that the Japanese, in their dislike of all foreigners, made a point of humiliating the Dutch to the utmost limit of what even a mere trader could put up with. Yet he also tells us that according to the Japanese social code, the traders were among the lowest classes, whereas the Japanese, in so far as they discriminated between the native and the foreign trader did so in favour of the latter, granting him much greater honour and privilege than a Japanese merchant could enjoy. The Dutchmen were lifted far out of their class as mere traders when they were allowed the very high honour of paying regular visits to the court of the Shogun. Mr. Wildes also seems

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to blame the Japanese for debasing the currency in such a way as to reduce greatly the profits made by the Dutch, but he goes on to add the following :

One important purpose was to stop the drain of gold. Instead of the former twenty-five per cent profit made by melting the kobang for recoinage the Dutch would suffer a fifteen per cent loss. Gold exportation stopped at once. During the period of foreign trade the nation lost more than \$200,000,000 worth of gold and silver. Japan's populace was not, of course, as completely dependent upon currency as are more modern industrialized peoples, but the degree of deflation was so serious as to embarrass the national economy. (p. 56)

The second point brought out clearly in this book is the early date of the Russian menace to Japan. Says Mr. Wildes : "Of all the foes, the most feared were the Russians. . . . Ever since the arrival of the Russians at the Sea of Okhotsk in 1638, wild rumours borne by excited savages from the distant Kurile islands had warned the Japanese against the giant 'Red Hairs' who fed on human flesh." (p. 74) He tells the interesting story of that Japanese sailor, Debuné, who, cast on the Kamchatkan coast, was rescued and brought before Peter the Great, and how from that time definite attempts were made to learn more about a country containing that wealth of resources of which Debuné boasted ; as, for example, the expedition of Kosirewski to the Kurile islands early in the eighteenth century. This leads to the third interesting point.

A most amusing, what might have become a very important, sequel to this early fear of the Russians was that for a time, George Washington was revered as a kind of war god in Japan. An extraordinary Polish adventurer, named Beniowski, was the unwitting cause of Japan's early pro-Americanism, for when he happened to touch on the coasts of Japan he managed to convey the impression that "Russia and Great Britain were planning to divide the world. For Russian aid against the Thirteen Colonies, he warned, England would allow the Tsar to take the Kurile islands, to annex Japan, and to add China to the Russian territories. Britain, in addition to reducing the rebellious colonies, would gain firmer footholds along the Good Hope route and would consolidate her gains in India" (p. 88) The author shows how the Dutch, to protect their own interests, also did their share of anti-British propaganda, and Japan swung sharply to the side of the American colonists in their rebellion. George Washington became a hero to the Japanese. "Many of the upper classes kept his portrait in their homes,

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giving it a place of honour, and continued for a century to look upon him as the champion of Japan's independence."

Mr. Wildes suggests that if, at that moment, America had made a bid for entering into relations with Japan, the result might well have been very favourable. But then there came certain serious disasters, which once again, in the author's opinion, turned the Japanese back to their indiscriminating anti-foreign attitude, so that when in the year 1791 the first American actually appeared in the person of the "bluff" John Kendrick, the opportunity had passed, and Kendrick's attempt proved a failure. Yet even as Mr. Wildes suggests anti-foreignism as the cause of this failure, he also shows how Kendrick's crudity of conduct and the utter unsuitability, even offensiveness, of his cargo, mainly skins and furs, must have played their part.

FURUKI SHINA TO ATARASHIKI SHINA (China, Old and New).
 By Tomoyuki Murakami. *The Kaizo-sha, Tokyo, 1939. pp. 351.*
 1.60 yen.

There is at present an urgent need for a proper understanding of China on the part of the Japanese people, and although this fact is generally recognized, it is exceedingly difficult to grasp the peculiarities of our neighbours on the continent. Despite China's geographical proximity, it is hardly possible to obtain a basic understanding of the country and its people through mere tourist visits or observation trips, because of the differences in customs, manners, and morals with the resulting widely divergent national characteristics. And yet, long years' residence in China or close contact with the people do not by themselves enable one to secure any better understanding. Nothing bears out this argument more clearly than the tragic mistakes of those Japanese who are recognized as authorities on China,—errors and misjudgments which became miserably apparent upon the fatal outbreak of the present conflict.

Wherein, then, lies the fundamental difficulty which so many Japanese experience in regard to Chinese questions? Mr. Murakami's penetrating analysis provides a clue to this problem of misunderstanding. At present the most influential elements in Japanese political and social circles are composed of men between the ages of forty and fifty; that is, men who were born about the time of the first Sino-Japanese War of 1894-95. That conflict and its results exerted a salient influence upon the minds of these men during the impressionable years of their childhood. Thus our feelings of enmity

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and contempt towards China and the Chinese have long been nurtured, consciously and unconsciously, by these early influences. And there is no denying that such prejudices still offer a formidable obstacle in attaining a proper understanding of China.

In all his writings on China, however, Mr. Murakami reveals no such detrimental attitude. As a contemporary, he must have once harboured more or less the same prejudices, but during the course of his long residence in China he freed himself completely from this baleful influence. While living on the continent, he became thoroughly familiar with all phases of life through association with Chinese of all classes. And he still continues to do so. In *China, Old and New* he has demonstrated that he not only knows the people of China, but also has a keen grasp of all those complicated social, economic, and political movements which have coloured and changed the general complexion of the country. There are many Japanese living in China and studying Chinese affairs, but there are few like this author with his fair and impartial viewpoint.

Mr. Murakami stresses in the preface that he wishes to dedicate this book to those who "are looking forward to the Orient of tomorrow, a permanently stable Orient," and that his book is written "with the earnest desire for the re-birth of a brighter, sounder, and healthier East Asia." All who read this book cannot but be profoundly impressed by his ardent hope, amidst the bitterness of the present Sino-Japanese struggle, for the real happiness of humanity and everlasting peace in the Orient, and by his unbounded love for the China which he knows so well.

NIPPON SENJI KEIZAI SEISAKU (The Wartime Economic Policy of Japan). By Kennosuke Kimpara. Chikura Shobo, Tokyo, 1938. pp. 362. 1.80 yen.

In its final analysis modern warfare may be considered economic warfare. In preparing a state's national defences, therefore, the enforcement of a system of quasi-wartime economy is necessary even in peacetime. Under such a system, or one of full wartime economy, it is essential that all economic resources be fully co-ordinated with military requirements. With the outbreak of the China affair, Japan's previous quasi-wartime economic structure was shifted to a complete wartime basis, especially after the scope of the conflict became enlarged to its present scale. The purpose of Dr. Kimpara's book is to detect the direction in which Japan's economy has moved through the

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exigencies of wartime economy since the advent of hostilities on the continent.

In considering the China affair from an economic standpoint, the author divides the wartime economic system into two stages: the military stage and the constructive stage, regarding the latter part of 1938 as marking the transition from the former to the latter. Again, the military stage is divided with the fall of Nanking. "In the first period," the author points out, "the wartime economic system enforced to deal with the affair still retained the major features of a peacetime economy." With the fall of Nanking, however, there was a definite swing to a full wartime economic system. The book deals primarily with these two phases of the military stage.

In the operation of wartime economic policy, the regulation of currency and commodities constitutes one of the principal problems. In the first period of the military stage, there were ample stocks of commodities available and it was accordingly unnecessary to strengthen the wartime system in this respect. In the second period, however, commodity prices began to soar partly because of greater consumption through the amplification of the China affair and partly because of increased demands for domestic stocks as a result of import restrictions. In the first period, the policy of the Government was comparatively lukewarm, being centred mainly on fiscal and international problems of economy; but in the second period after the fall of Nanking wartime control was strengthened to the extent of official commodity price fixing and the regulation of the distribution of vital materials. The bulk of Dr. Kimpara's book is devoted to this transition to a full wartime economy, analyzing such problems as the mobilization of commodities and price fixing, exchange control and the promotion of exports, wartime banking, long-term construction, the circulation and raising of funds, and the reorganization of industries.

In looking back at the second year of the China affair, the author says, "the strengthening of the wartime system . . . may be said to have been effected comparatively smoothly in consideration of the fact that it was the first time in the history of Japan that such an epoch-making programme was undertaken." Nevertheless, he is not necessarily optimistic over the economic outlook for the third year of the incident or the first year of long-range construction, and still further strengthening of economic control should be anticipated. Furthermore, the author observes that serious obstacles must be overcome in establishing a new order in East Asia. In this respect,

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actual military operations will become of less importance while the problems of economic warfare will absorb the nation's attention. This is the point, the author stresses in conclusion, which must be fully grasped in pushing forward the programme of construction.

The material composing *Nippon Senji Keizai Seisaku* is a collection of the author's previous articles on the subject, and the author himself admits that his book may leave something to be desired in regard to the systematic arrangement of its subject matter. Despite the shortcomings in this type of organization, however, Dr. Kimpara's clear-cut explanations and tempered judgment make the book an exceedingly useful guide to the complicated mechanism which now constitutes Japan's wartime economic system.

AFFAIRS OF CHINA. By Sir Eric Teichman. Methuen & Co., Ltd., London, 1938. pp. 312. 12s. 6d.

Certainly no other country has a more complicated background than modern China. In the course of the nineteenth century this vast empire not only lost most of the tributary states along the periphery of its long frontiers through war and diplomacy, but was also compelled through the same agencies of force to mortgage for indefinite terms a good measure of sovereignty over its own territory. It is with these ramified infringements upon China's position as an autonomous state that Sir Eric Teichman's useful volume is mainly concerned.

The book does not pretend to be an exhaustive account of the various foreign rights and interests in China; at the most, it is a satisfactory compendium in terms comprehensible to readers unfamiliar with the details of modern Far Eastern history. The discussion treats such subjects as extraterritoriality, the treaty tariff, treaty ports, concessions and leaseholds, foreign garrisons and men-of-war, railway loans and economic concessions from the period of their origin to the outbreak of the present China affair. A good part of the book is devoted to China's persistent—and often irresponsible—struggle to free herself from these alien impositions, a struggle which has been directed against most of the major Powers, but particularly against Great Britain and Japan. By 1937 China had been able to redeem a number of these outstanding grievances, but the struggle came to an abrupt end when hostilities broke out with Japan.

For the most part the author displays unusual fairness in dealing with such complicated issues which invariably involve questions of national prestige and sentiment, and his grasp of realities has been

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materially enhanced by thirty years' experience in the British consular service in China, along with extensive travels in the more unfrequented areas of that country. With such a broad background it is not surprising that the writer has little sympathy with that too familiar figure, the "China Hand," that old die-hard with "his interests rooted in the extraterritorial regime. . . ." Despite the excesses to which the Kuomintang allowed itself to be carried, Sir Eric is frankly sympathetic with China's struggle for national integrity, and unlike so many ex-officials from the China service, he can find no legitimate reasons to justify the continued retention of special privileges on the part of foreign Powers and their nationals. In one respect, however, the author finds it difficult to rise above the fact that he is a member of a great imperial empire. Throughout the book he depicts Britain as ever the benevolent friend of China, who though at times was compelled to chastise her ward for his own good. The author thus passes off the more realistic phases of British Far Eastern imperialism on the grounds that they pale into insignificance "beside the recent activities of Japan in China." After reading his accounts of the Anglo-Chinese wars of the last century, the "compensation" diplomacy of the Salisbury régime, and Anglo-Indian activities in Tibet, one is constrained to feel that Sir Eric simply stands aghast at Britain's moderation.

A significant conclusion appears at frequent intervals throughout the book. Not only has the Chinese struggle for complete integrity been brought to an end by the Sino-Japanese affair, but this conflict has also provoked a far-reaching reaction on the part of the Western Powers toward their previous policy of relinquishing their special positions and privileges in China. These were originally designed to protect the foreigner from the vagaries of Chinese administration; now the author believes that Westerners in China will seek to retain their special advantages as protection against Japan. In this connection, however, Sir Eric might have reviewed the passing of the system of special privilege—and its ultimate consequences—in the country which now gives occasion for such alarm.

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April 5 It is announced in Hsin-king that three Japanese are known to have been killed as a result of a clash with Soviet troops on April 3 in the western section of the Soviet-Manchoukuo border.

The Japan Chamber of Commerce and Industry adopts a resolution urging the Government to establish a Ministry for trade affairs to improve business relations with foreign countries.

The Foreign Office spokesman announces that Japanese interests acquired 254 fishing lots along the Soviet coast in the auction held in Vladivostok on April 4. Added to those already in Japanese possession by virtue of past leases, they make a total of 357 to be operated by Japanese this season.

The governor of the Bank of Japan declares that resort to compulsion in order to make the public save more and absorb national bonds is not necessary.

Mr. A. G. Plitis, the first Greek Minister to be accredited to Japan in 15 years, arrives in Kobe.

Fifty-four members of the Takarazuka Girls' Opera Company sail for America for a series of performances.

During the last fiscal year ending March 31, Japanese Government Railways yielded the highest revenue on record, ¥738,462,379.

April 6 A special Privy Council committee adopts in its original form as submitted by the Government a protocol providing for the fishery

modus vivendi.

A simple method for detecting cancer in its early stages is announced by a professor in the medical department of the Hokkaido Imperial University.

The *Asahi* predicts that the formal appointment of Mr. Tsutomu Nishiyama, managing-director of the Yokohama Specie Bank, as Japan's first full-time financial commissioner for New York will be announced by the Government in a few days.

April 7 General Kuniaki Koiso, retired, and Mr. Harumichi Tanabé, former chief secretary of the Cabinet, are formally invested as Overseas Minister and Communications Minister respectively. The appointments relieve Commerce and Industry Minister Hatta of his concurrent duties as Overseas Minister and Justice Minister Shiono of his dual post as Communications Minister.

The Foreign Office spokesman issues a statement acknowledging receipt on April 5 of a protest note by the French Ambassador against Japan's decision to establish jurisdiction over the Spratley Islands. The statement declares that the note would be received "only as a matter of reference," since there is no room for consideration regarding the issue.

An informal meeting is held in Shanghai between Sir Robert Craigie, British Ambassador to Japan, and local Japanese officials.

It is formally revealed that Nationalist Spain became the sixth Power to

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join the anti-Comintern agreement on March 27.

April 8 Reports from Peking reveal that General Chiang Kai-shek has ordered his army to launch a general offensive on April 10 against Japanese troops in an attempt to regain territory lost in North China.

The National Spiritual Mobilization Commission adopts a basic platform for the national moral guidance movement.

Refuting allegations of collusion with Japan, Mr. Wang Ching-wei insists in Hongkong that he will persist in seeking an amicable agreement between the two nations under fair terms which would assure China's sovereignty.

April 9 The Chinese April offensive is not likely to materialize, according to a spokesman for the Japanese army in South China, who declares that it is merely propaganda designed to cover up the crushing defeat the Chinese forces recently suffered at Nanchang.

The Japan Airways' goodwill plane *Soyokaze* takes off from Hana-da Airport on its 7,000-mile flight to Teheran, capital of Iran.

Dr. Cheng Hsi-kang, commissioner of Tientsin customs, is shot to death by a Chinese gunman.

April 10 In the opening address of the conference of the heads of the liaison departments of the China Affairs Board, Premier Hiranuma declares that Japan does not intend to restrict the rights and interests of foreign countries in China any more than necessary.

An outline of plans for welcoming and entertaining the officers and men of the United States cruiser *Astoria* is announced by the Foreign Office.

In Shanghai, ten steamers flying the Portuguese flag are detained for

examination by Japanese naval authorities on suspicion of supplying Chinese guerilla forces with arms and ammunition.

The new Danish Minister, Mr. Lars Tillitse, presents his credentials to the Emperor.

The Finance Ministry reports that the balance of Japan's foreign trade from the first of the year up to April 10 recorded a considerable improvement over the corresponding period of 1938 with a drop of ¥28,258,000 in excessive imports.

April 11 Finance Minister Ishiwata, speaking before the directors of revenue supervision bureaus throughout Japan, declares that as the public has responded nobly to the increased burden of taxation made necessary by the China affair, everything possible must be done to devise means of facilitating tax payments.

The Washington bureau of the *New York Times* reports that the Administration is considering the early introduction into Congress of a bill authorizing the President to impose an embargo on the shipment of war materials, and possibly other goods, from the United States to Japan.

As a result of negotiations, the Turkish Government has reportedly decided to alleviate its vigorous restrictions on Japanese cotton cloth imports.

April 12 Overseas Minister Koiso tells newspapermen that the anti-Comintern accord with Germany and Italy must be strengthened.

In Washington, authorities on international law testify against an embargo on exports of scrap iron to Japan.

In Shanghai, suppression of anti-Japanese propaganda in the International Settlement is requested by

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the Japanese consul-general in a note to the Municipal Council.

April 13 A draft plan for the enforcement of universal conscription in Manchoukuo is completed by a special committee.

Parliamentary circles in Sydney are reported to favour the sending of Ministers to Japan and the United States by the Australian Government.

A Hongkong dispatch to the *Yomiuri* states that the Indo-China air force has been doubled and that 250 high-angle guns have been mounted in and around the main cities of Hanoi, Haiphong and Saigon.

At a political rally, the Social Mass Party approves a resolution urging invocation of all provisions of the National General Mobilization Law.

The third group of American businessmen invited to visit Japan by the Foreign Trade Association arrives for a month's inspection tour of Japanese industry.

April 14 The *Nichi Nichi* reports that Army authorities hold the conviction that the Premier should be granted special emergency powers for the full and direct enforcement of general mobilization measures.

Yokohama raw silk prices rise once more as April deliveries go up to ¥1,144 and the September quotation to ¥1,061.

A semi-annual investigation by the Mitsui Gomei Kaisha reveals that during the second half of 1938, 1,188 companies and banks realized net profits amounting to ¥738,900,000, while only 62 incurred losses, totaling ¥2,900,000.

The Domei News Agency announces that reports reaching Nanking indicate that the Chinese "April offensive" has ended in complete failure.

April 15 Field Marshal Prince

Kanin, chief of the Army General Staff, sends a cable congratulating Premier Mussolini on the occasion of the annexation of Albania.

The *Hochi* reports that the Education Ministry plans to institute a short-term training course for potential engineers, to augment the supply of industrial technicians needed immediately.

From Washington, Senator Key Pittman, chairman of the Senate foreign relations committee, upholds in a radio broadcast the possible imposition of an embargo on American goods to Japan.

April 16 A formal ceremony of hoisting the Albanian national flag along with the Italian flag is observed at the Italian Embassy in Tokyo.

April 17 The *Astoria* arrives in Yokohama, bearing the ashes of the late Hiroshi Saito.

The Imperial Family cables a message of appreciation to President Roosevelt for the goodwill shown by the United States Government and people in sending the cruiser *Astoria* to Japan.

The United States Supreme Court in Washington reverses a previous court decision causing the Japanese Shimazu Battery Company to lose its 13-year legal battle over patent rights waged with the Exide Storage Battery Company.

April 18 Japanese troops capture Kuling, well-known resort in Kiangsi Province.

Awards for 3,187 officers and men, who were killed or succumbed to injuries between August 7, 1937 and December 4, 1938, are announced by the War Ministry and the Decorations Bureau of the Cabinet.

The Agriculture and Forestry Ministry announces that a large decrease was witnessed in tenant

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disputes in Japan during 1938, when but 3,907 cases were recorded.

April 19 Construction of a subterranean, submarine tunnel under the Kwammon Strait between Shimono-seki and Moji is completed after two years and a half of work. The tunnel, known as a pilot tube, covers a distance of four-fifths of a mile.

In Paris, it is revealed that the French military police have arrested two Japanese businessmen on charges of espionage.

The *Nichi Nichi* reports that two Chinese flour mills in Hankow will operate in the future in the form of Sino-Japanese concerns.

The Foreign Office decides to instruct the consul-general in Sydney to open negotiations with the Canberra Government for renewal and extension of the Japanese-Australian trade agreement, which will expire at the end of June.

The *Miyako* reports that the Osaka City Office has decided to redeem in cash the total amount of its 5 per cent. electric trolley and waterworks bonds in sterling.

April 20 The Domei News Agency reveals that four Russian members of the crew of a ship which landed illegally in the Pescadores Islands near Formosa were sentenced to a year at penal servitude on April 14.

More than 1,800 children meet in Tokyo to mark the presentation of drawings and other objects made by the primary school children of Japan for the school children of America.

April 21 The Finance Ministry announces that savings of all kinds in Japan during the fiscal year ending last March 31 increased ¥7,380,000,000 over the previous year.

April 22 The Tokyo Municipal Assembly's mayoral nominating

committee votes in favour of the candidacy of Mr. Keikichi Tanomogi, former Communications Minister.

In Washington, Japan's annual report to the League of Nations regarding the mandated South Sea Islands, which categorically denies any military measures, is made public by the State Department.

A memorial statue to the late Viscount Makoto Saito, Governor-General of Korea for eight years, is unveiled in ceremonies conducted in Keijo.

Mr. Yoshiaki Miura, Japanese consul-general in Shanghai, demands in a letter sent to Mr. C.S. Franklin, chairman of the Shanghai Municipal Council, that the Chinese "spiritual mobilization" campaign be suppressed in the International Settlement.

In London, Viscount Rothermere, British newspaper magnate, predicts that Japan will have concluded a successful war "before the end of the present year."

April 23 Shinto rites consecrating the souls of 10,389 war dead in China are conducted at the Yasukuni Shrine in Tokyo. More than 20,000 members of the bereaved families participate in the occasion.

The *New York Times* reports that contracts for the sale to China of more than 100 American warplanes, motors and other equipment will shortly be signed.

The sixth Black Ship Festival is celebrated in Shimoda, Shizuoka Prefecture.

Tokyo newspapers report that the controversy in the Seiyukai, leading political party, over selection of a new president is reaching a show-down.

Mr. Keikichi Tanomogi is formally elected mayor of Tokyo at a special session of the Municipal Assembly.

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April 24 The mayor of the Shanghai Special Municipality addresses a note to the French consul-general requesting that more effective measures be taken to suppress terrorists.

Foreign Vice-Minister Renzo Sawada invites the Soviet chargé d'affaires to the Foreign Office and protests against pressure alleged to have been placed on Japanese oil and coal mining interests in North Saghalien.

April 25 The entire nation halts for a moment of silent prayer as the Emperor pays tribute to the spirits of more than 156,000 war dead enshrined at Yasukuni Shrine in Tokyo.

The Finance Ministry reveals that Government bonds issued since the outbreak of the China affair amounted to ¥5,500,500,000.

April 26 Tokyo newspapers report that decisions reached in the five-Minister conference on April 25 will be cabled to Japanese Ambassadors in Europe.

The United States cruiser *Astoria* sails for Shanghai, ending her 10-day visit to Japan.

April 27 The Central Price Policy Commission adopts formally the plan for control of prices drafted previously by a subcommittee. The plan is to be presented to the Government for early enforcement.

The National General Spiritual Mobilization Commission adopts a more thoroughgoing programme for the nation.

The Emperor attends the first graduation exercises of the Army Aviation Academy at Toyo-oka, Saitama Prefecture.

A German press delegation arrives in Japan for a brief tour of the country.

In Washington, veteran members

of the Senate foreign relations committee state privately that they will oppose the resolution to take economic action against Japan.

April 28 The internal strife in the Seiyukai is heightened as opposing factions occupy different floors of the political party's headquarters. Each faction, claiming a majority, seeks to install its candidate as president.

The Empress grants ¥500,000 from Her Majesty's privy purse as a fund for promoting national health.

April 30 It is announced that the Renovation Government in Nanking, in co-operation with Japanese authorities, will establish a China Commercial Development Bank at Shanghai on May 1. The bank will be capitalized at ¥50,000,000, subscribed jointly by the Nanking régime, Chinese and Japanese banks.

May 1 The most severe earthquake in two decades strikes the northeastern prefectures of Akita and Aomori, paralyzing transportation systems and disrupting communication facilities. No casualties are reported.

In Paris it is learned that attempts by the Soviet Government to include the Far East within the scope of the current Anglo-Soviet mutual defence parleys have been firmly rejected by the British Government.

A conference of prefectural governors is opened in Tokyo.

Writing in the *Yomiuri*, Mr. Ginjiro Fujihara, head of the All-Japan Industrial Body Federation, states that Japan can carry out the economic development of China without the aid of foreign capital.

The deposits held by all banks associated with the Tokyo Clearing House at the end of March amounted to ¥5,117,315,000, advancing over the month before and over the

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same period of the previous year, according to the Domei News Agency.

The Cabinet discusses the administration of the fund set up by the Empress from the privy purse for combating tuberculosis.

May 2 The British Ambassador calls on the Foreign Vice-Minister to negotiate for the release of a British merchant vessel seized by the Japanese navy near Canton on suspicion of smuggling arms into China.

Latest reports state that 26 persons are dead, 34 injured and eight missing as a result of the earthquake of May 1 in Northern Japan.

Two Belgians are detained by police in Tokyo on currency charges.

Japanese army and naval authorities, in a joint statement issued in Shanghai, give unqualified support to the five-point demand made recently by Mayor Fu Tsung-yao of the Shanghai Special Municipality to the authorities of the International Settlement and the French Concession.

The first meeting of the council of the Central League for National Spiritual Mobilization is held in Tokyo.

A conference of the chiefs of all army divisions is held in Tokyo.

May 3 The *Asahi* reports that property damage wrought by the earthquake in Northeastern Japan on May 1 has been estimated at ¥1,027,283.

In London, the Cabinet rejects the Soviet proposal for an Anglo-Soviet-French guarantee to smaller European states.

The Domei News Agency quotes a pamphlet published by the Navy Office as stating that increasing pressure is being brought to bear on

Japan by Great Britain, the United States and the Soviet Union and that only by possessing a fleet strong enough to prevent interference can Japan build a new order in East Asia.

Some 3,000 delegates from co-operative societies throughout Japan meet in Tokyo for their 34th annual conference.

General Jiro Minami, Governor-General of Chosen, urges the development of closer communications between Japan, Manchoukuo and North Chosen for economic and defence reasons.

The German goodwill plane en route to Tokyo from Berlin arrives at Taihoku in Taiwan (Formosa).

The French Government publishes a decree banning all Japanese imports into France with the exception of silk and camphor, effective May 10.

The resignation of Mr. Maxim Litvinov, as Foreign Commissar of the Soviet Union, is announced.

May 4 Foreign Minister Arita calls separately to the Foreign Office the Italian Ambassador and the German Ambassador with whom he exchanges information about the situation in Europe.

Completing its 8,500-mile goodwill flight from Berlin in 12 days, the *Hans Loeb*, airliner of the Lufthansa Aircraft Company, piloted by Baron C. A. von Gablenz, arrives at the Haneda (Tokyo) airport.

The Japanese consul-general in Shanghai visits American and British officials to explain the views of the Japanese Government regarding reformation of administration in the International Settlement.

Major Yuzo Fujita, who piloted the monoplane *Wings of the Century* in its closed-course non-stop record

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flight in 1938, is killed while flying for the army in China.

May 5 Japanese military authorities in Tientsin accuse the British consul-general of having broken his promise in refusing to surrender suspects arrested in connection with an attempted assault on a Federal Reserve Bank official.

The Cabinet adopts the outline plan for control of commodity prices recommended by the price commission. Premier Hiranuma issues a statement reiterating the necessity for low prices and the hope of the Government to settle all matters on the basis of general affinity between the Government and the people.

Admitting the possibility that Japanese planes may have dropped bombs on foreign consulates in Chungking on May 4, a navy spokesman in Shanghai defends any such action as the right of self-defense.

Foreign Minister Arita declares in an address that Japan's foreign policy stands on a moral basis and that Japan's aims in China and East Asia are based on high ideals.

May 6 Chungking reports published in Peking reveal that General Chiang Kai-shek has called an emergency meeting of military and political leaders of the National Government to outline measures for dealing with the destruction and havoc caused by the successive Japanese bombings of Chungking.

The Agriculture and Forestry Ministry announces that Japan's agricultural, forest and marine production for 1937 amounted to ¥4,678,000,000. On the basis of 100 for 1925, the index number for these products in 1937 was 93.

The alleged harbouring of terrorists and assassins by the foreign concessions in Tientsin is declared to

be an indirect act of hostility against the Japanese army by Japanese military authorities.

May 7 A New York dispatch to the *Hochi* reveals that the Government of Ecuador has refused to lease its Galapagos Islands to the United States for use as a naval base.

In Harbin, it is announced that in a border clash on the Outer Mongolian line on May 4, the Outer Mongolians were repulsed with a loss of at least three men.

Preparations are completed in Hsinking to welcome Baron C. A. von Gablenz, who recently completed a goodwill flight from Berlin to Tokyo.

At Milan, Italy and Germany agree to enter into a formal military and political alliance to combat Great Britain's encirclement policy on the European Continent.

May 8 Foreign Minister Arita informs prefectural governors, meeting in Tokyo, that even if it does not apply to the Far East, "an *entente* between Great Britain and the Soviet Union cannot be treated lightly by Japan."

It is reported in Hankow that about 20 Chinese divisions have been trapped in a 125-mile cordon in the area of Siangyang, headquarters of the 5th War District in northern Hupeh Province.

The death sentence is passed on Mr. Toshi Futami of the extinct Japan Anarchist-Communist Party.

The "flame of friendship" which is to be taken to the New York World's Fair arrives in Tokyo after being ignited at the Izumo Grand Shrine, Shimané Prefecture.

In Shanghai, concrete measures for the control of anti-Japanese propaganda in the International Settlement are discussed by Japanese represen-

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tatives and police officials of the Municipal Council.

The United States House of Representatives passes the record-breaking peace-time naval appropriation bill of \$773,420,241.

May 9 A costly fire sweeps a wide area in Itabashi Ward, Tokyo, destroying five factories, damaging three others and causing at least 258 casualties.

In London, it is learned that the British Ambassador to Japan has been instructed to lodge a protest with the Japanese Government regarding the bombing of the British consulate-general in Chungking.

The French Ambassador calls on the Foreign Vice-Minister to confer on matters concerning the Chungking air raids.

The *Nichi Nichi* reports that in the British House of Commons on May 8 Mr. David Lloyd George stated that without the co-operation of the Soviet Union, Great Britain and France would be helpless in a war with Germany and Italy.

May 10 The exchange control bureau of the Finance Ministry is refusing to permit the exchange into foreign currency of more than the regular ¥1,000 for several persons planning to tour America for cultural purposes.

The Welfare Ministry starts a five-year tuberculosis survey of 500 boy workers in Tokyo.

The Foreign Office decides to appoint Mr. Kikuji Yonezawa, head of the investigation bureau of the Foreign Ministry, Minister to Portugal.

Japan's foreign trade for the first 10 days of May shows an unfavourable balance of ¥6,808,000, according to the Finance Ministry.

The Domei News Agency reports

that negotiations for revising the existing Indo-Japanese trade agreement, which expires within a year, will be opened at Simla shortly.

The London *Daily Telegraph's* naval correspondent reports that as a measure toward increasing its naval strength in the Pacific Ocean, the British Government has designated a certain number of warships for joint action.

May 11 Japan's first registration of foreign residents is accomplished satisfactorily as practically all foreigners report to police stations between May 1 and 10.

In Shanghai, the authorities of the Municipal Council and the French Concession issue a joint declaration stressing the strict neutrality of the areas under their respective jurisdiction and prohibiting all political activities of any sort therein.

In Hsinking, it is announced that the Manchoukuo Government will enlist 4,000 young men in an organization for land cultivation and forestry work along the Manchoukuo-Soviet border.

May 12 Japanese forces on Kulangsu Island, opposite Amoy City, respond to a machine-gun challenge by Chinese forces. Landing forces are rushed to the International Concession after an anti-Japanese group has assassinated the president of the Amoy Chamber of Commerce.

Censors of the Metropolitan Police Board warn literary syndicates to employ better taste in stories appearing in magazines and rural newspapers.

It is denied in Warsaw that Poland has received an offer from Japan to mediate in the Polish-German dispute over Danzig and the Polish Corridor.

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May 11 In Washington, the Senate military affairs committee reveals that tremendous floods of anti-war mail demanding sternly that Congress keep the United States out of war have been pouring into the capital.

May 13 Mr. Fusanosuké Kuhara is nominated for the presidency of the Seiyukai.

The Manchoukuo Government files a protest with the Republic of Outer Mongolia in connection with the firing on Manchoukuo guards on May 11. The protest demands that all challenges on the part of Outer Mongolian forces cease.

The Finance Ministry announces that during the last fiscal year, Japanese consumed tobacco having a total value of ¥362,317,340.

May 14 A Shanghai dispatch to the *Nichi Nichi* reports that the failure of the so-called Chinese April offensive has enhanced the position of the Communists within the Kuomintang.

The Japan Lawn Tennis Association announces that Japan will not compete in the Davis Cup tennis competition in 1939.

May 15 Transfer of Japan's cotton

spinning industry to the Asiatic continent is inevitable and urgent from the standpoint of national policy, declares Mr. Shingo Tsuda, head of the Kanegafuchi Spinning Company.

Concluding their operations against lawless elements in the Kulangsu International Settlement, Japanese bluejackets are withdrawn from all waterfronts.

The Japan Students' Association receives a formal invitation to attend the sixth America-Japan student conference in August in Los Angeles.

The British Government instructs its Ambassador at Tokyo to protest to the Japanese Government against alleged interference in the Administration of the International Settlement on Kulangsu Island.

In Amoy, it is revealed that the Japanese consul-general has delivered a note to the chairman of the Kulangsu Municipal Council advocating the early adoption of five measures to curb anti-Japanese terrorism in the International Settlement.

DOCUMENTARY MATERIAL

STATEMENT OF THE FOREIGN OFFICE SPOKESMAN REGARDING THE TREATY OF FRIENDSHIP AND ALLIANCE BETWEEN GERMANY AND ITALY, May 22, 1939

The treaty of friendship and alliance between Germany and Italy, which has been formally concluded today, is a result of the relation of contiguity between the two countries, as well as of their special position in Europe. Since the formation of the Berlin-Rome axis, Germany and Italy have demonstrated their firm solidarity in dealing with many difficult political situations in Europe. Particularly noteworthy has been the mutual support shown at the time of the *anschluss*, the annexation of Bohemia and Moravia, the restoration of the Memel district and the annexation of Albania. This was solely due to their mutual and sympathetic understanding and their concerted action in carrying out their convictions and attaining their objectives.

Whether the German-Italian axis is left in the form of a written instrument or without, as heretofore, will not detract in the least from its effectiveness. However, the conclusion of the present treaty is a great forward step in the enforcement of the policies of the axis. Furthermore, any wilful propaganda purporting to belittle the axis as being weak and vulnerable will now be eradicated. These facts have a very important bearing upon the future of Europe, and it is our belief that the treaty, at a time when the situation in Europe is quite tense, will make a tremendous contribution toward the peace and progress of the world.

The crux of the foreign policy of Japan lies in the Anti-Comintern Agreement, directed towards the extermination of Communism, and it is our immutable policy to collaborate closely with Germany and Italy in the spirit of that pact. Therefore, Japan is exceedingly glad to note that Germany and Italy, her collaborators in the anti-Comintern agreement, have perfected their relations and formed a powerful front by concluding the present treaty. In this sense, we extend our hearty congratulations.

THE FOREIGN OFFICE SPOKESMAN'S PRESS INTERVIEW REGARDING KULANGSU AND SHANGHAI SETTLEMENTS, May 24, 1939 (The Advertiser Translation)

The international settlements and the various single-nationality concessions at Kulangsu, Shanghai and Tientsin constitute merely administrative

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limitations on China's sovereign rights and therefore are no foreign territory. The various nations represented in the international settlements or concessions merely exercise administrative rights singly or jointly, and the areas are not unamenable to China's sovereignty. It merely means that China's administrative rights temporarily have been inactive heretofore. In this sense, the view that the foreign concessions or settlements should remain neutral must be said to be quite irrational.

Japan just now is taking actions in China with its national destiny at stake under conditions tantamount to war. The object of these actions is to place the sovereignty of China under Japanese control. In the light of this circumstance, Japan should be regarded as placing the entire territory of China under its control. There is nothing strange in the fact that Japan in China should by armed operations directly crush China's armed operations against it.

The various actions against Japan and insulting to Japan taken by lawless elements in Kulangsu and Shanghai are obviously under instructions directly from the Chungking Government and therefore can be regarded as part of the armed operations of the Chinese army. It is only natural and proper, in this circumstance, that Japan should take it upon itself to send armed forces to such concessions to clear them of these enemy elements.

Moreover, Japan has rights in the international settlements and as one of the parties possessing such rights it is participating in their administration. From this standpoint, too, it has the right to send armed forces into any settlement. The other Powers say that expansion of the Japanese voice in the administration of the international settlements is unnecessary, but such statements are no more than words to evade the issue. It is precisely because the situation is abnormal that the Japanese demand to have their voice in the Municipal Council strengthened carries weight. There is no reason whatsoever to hesitate to improve the structure of the international settlement simply because of the China affair. The old land regulations should be revised at once, and the points being put forward by Consul-General Yoshiaki Miura at Shanghai, including an increase in the Japanese representation on the Municipal Council, et cetera, should be dealt with speedily by the other Powers.

STATEMENT OF THE FOREIGN OFFICE SPOKESMAN CONCERNING JAPAN'S RECOGNITION OF SLOVAKIA, JUNE 1, 1939

The Japanese Government today notified the Slovak Government through a letter addressed to the Slovak Foreign Minister, Mr. F. Durcansky, by the Foreign Minister, Mr. Hachiro Arita, to the effect that the Japanese Government have recognized the independence of Slovakia and have extended formal recognition to that Government as the legitimate government of Slovakia.

Upon the disintegration of Czechoslovakia on the 14th of March last,

DOCUMENTARY MATERIAL

Slovakia proclaimed her independence and on the 23rd of the same month she concluded the treaty with Germany by which she became a protectorate of Germany, coming under German protection for her political independence and territorial integrity and keeping in close relationship with Germany on military and diplomatic matters. It is quite natural, therefore, that Japan, having special relations with Germany, should open formal diplomatic relations with Slovakia. We confidently expect that through an increasingly intimate collaboration with Germany, Slovakia will contribute much toward the establishment of peace in Europe.

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

THE JAPAN ADVERTISER

Foremost English-Language Newspaper
in Japan

Read not only by the foreign residents of the country but by the more prominent Japanese in finance, business and politics. The Japan Advertiser, because it is independent and unbiased, is the outstanding interpreter of the East to the West and of the West to the East.

The Trans-Pacific

A Weekly Review of Far Eastern Political
Social and Economic Developments
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This weekly edition of The Japan Advertiser contains a digest of the most important news events in every field. In recent years it has been growing in importance as an organ for Japanese exporters, for it circulates into every corner of the globe. If you are interested in Japanese export lines or if you merely wish to keep abreast of events in Asia, The Trans-Pacific is indispensable.

Foreign Subscription Rates are ¥73 a year for The Japan Advertiser and ¥21 a year for The Trans-Pacific. Inquiries and subscriptions may be addressed to P.O. Box F-58, Tokyo.

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THE TRANS-PACIFIC ADVERTISING & SERVICE BUREAU
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Kenkyusha, 2 Kaguracho 1-chome, Ushigome, Tokyo.

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

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

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As a mirror of Japanese opinion and as a chronicler of major events occurring in Japan, Manchuria and China it is without a peer.

It is also an authoritative source of information on the economic and financial progress of the Far East.

Best Advertising Medium

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	Within Postal Union	Foreign With Postage
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Domestic	¥17.00	¥ 9.00
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HIBIYA, TOKYO

Tel. Ginza 303, 403 & 5931

The Japan Times Pub. Co.

HIBIYA, TOKYO, JAPAN

Gentlemen:

Please send *THE JAPAN TIMES & MAIL*, Daily or Weekly Edition, to

Name _____

Address _____

Date _____ 193__

XII

The Japan Chronicle

DAILY & WEEKLY EDITIONS

ESTABLISHED 1891 & INCORPORATING
THE HIOGO NEWS ESTABLISHED 1868

RELIABLE FINANCIAL AND
COMMERCIAL INTELLIGENCE

The Best and Widest Advertising Medium

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"JAPAN CHRONICLE," KOBE

SUBSCRIPTION:

DAILY EDITION:

¥ 3.50 per month ¥ 38 per annum

Post free in Japan

Postage abroad ¥ 3 extra per month

The WEEKLY EDITION of the JAPAN CHRONICLE

*contains all political, commercial, financial and general news and is well
adapted for mailing abroad, and for filing as a local record*

Published Every Thursday

¥ 5 per quarter ¥ 18 per annum

Post free in Japan

Abroad: ¥ 25 per annum, including postage

XIII

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

*A National Newspaper For International
 Readers*

The Osaka Mainichi & The Tokyo Nichi Nichi

Published in English, Daily Except Mondays

History is today being made at lightning tempo.

In addition to speed, the Osaka Mainichi and Tokyo Nichi Nichi offer to their English Edition readers the following:

JAPAN: An insight into what the Japanese are thinking. A day-to-day record, with many photographs, of what the Japanese are doing.

EAST ASIA: Full coverage of the news from the front and of the momentous events occurring in East Asia.

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(By the Year, Payable in Advance)

¥16.60 in Japan, Manchoukuo, and China

¥29.80 Elsewhere

The Osaka Mainichi Publishing Co.

Osaka Japan Tokyo

XIV



THE MITSUI BANK, LTD.

Capital Subscribed - - - - - Yen 100,000,000

Capital Paid-up - - - - - Yen 60,000,000

Reserve Funds - - - - - Yen 61,800,000

HEAD OFFICE: No. 1 Muromachi 2-chome, Nihonbashi-ku, Tokyo.

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 Dojima, Osaka-Kawaguchi, Osaka-Nishi, Osaka-Semba, Otaru,
 Wakamatsu (Kyushu), Yokohama.

FOREIGN BRANCHES:

Bombay, London, New York, Shanghai, Sourabaya.

LONDON BANKERS:

Barclays Bank, Ltd. Midland Bank, Ltd.

NEW YORK BANKERS:

Bankers Trust Co. Chase National Bank.
 National City Bank of New York.

0597

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



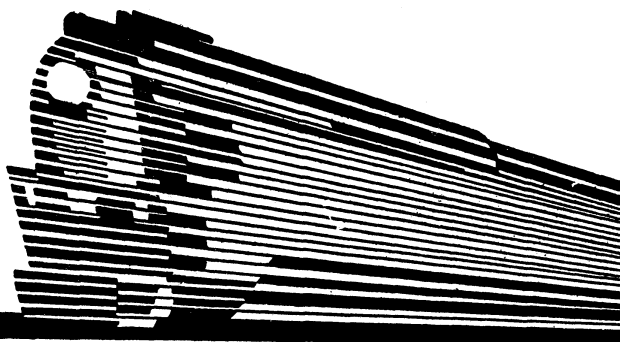
Tour Manchoukuo in Comfort

The fastest and most comfortable travel through Manchoukuo offered by the well-equipped, smartly stream-lined and completely air-conditioned Super-express "Asia" serving almost all the great tourist centres, Dairen, Mukden, Hsinking and Harbin in only 12½ hours.

Yamato Hotels

under the direct management of
the S. M. R.
at

Dairen, Hoshigaura, Port Arthur,
Mukden, Hsinking and Harbin.



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Head Office: **DAIREN** Cable Address: **"MANTETSU"**

Branch Offices

Tokyo, Osaka, Hsinking, Shanghai,
Peiping, Tientsin, New York, Paris

Information Offices

Tokyo, Osaka, Moji, Shimonoseki

Ticket Agents

Japan Tourist Bureau; American
Express Co.; International Sleeping
Car Co. (Wagon-lits); Thos. Cook
& Son, Ltd.; China Travel Service.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 14, 1939

Tsinan's despatch no. 109 of July 7 reports, as indicative of the absurd extremes of Japanese propaganda, that the Japanese utilized the anniversary of the Lukouchiao incident to hold an "Asia Revival Week" campaign, but that the non-gullibility of the Chinese was proven by the precautions, including martial law, taken by the propagandists themselves.

793.94/15281

FE:Chase:HJN

0595

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

No. 109.

AMERICAN CONSULATE,

Tsinan, China, July 7, 1939.

FAR EASTERN AFFAIRS

100-1939

Department

SUBJECT: SECOND ANNIVERSARY OF LUKOUCHIAO
INCIDENT COMMEMORATED IN TSINAN.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to report, as indicative of the
absurd lengths to which Japanese propaganda is being
carried in an effort to justify Japan's position in
China in the eyes of the Chinese masses, that the
second anniversary of the Lukouchiao incident was
observed in Tsinan by a Japanese-organized "Asia Re-
vival Mass Meeting", in which the Japanese and Chinese
authorities were "invited" to participate, "with a view
to intensifying the emotions of the people." Further-
more, the period July 3rd to July 9th has been official-
ly set aside as "Asia Revival Campaign Week", and Tsinan
is not proving particularly healthful for Chinese resi-
dents who have failed to display on their gates both
the five-barred flag of conquered China and the rising
sun.

Yesterday the Mayor of Tsinan and other puppet
officials and the Chairman of the Chinese Chamber of
Commerce "called upon the various Japanese organizations

to

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ASSISTANT SECRETARY

AUG 10 1939

DEPARTMENT OF STATE

793.94/15281

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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 -

to express appreciation and gratitude." They also visited Japanese military hospitals to pacify wounded soldiers and offer them gifts of money, according to the SHANTUNG HSIN MIN PAO.

The anniversary is being further marked by parades of Japanese troops within and maneuvers outside the city.

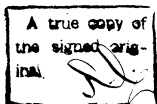
But that the Chinese are not quite so gullible as the various Japanese press reports would have the world believe, is manifested by the precautions taken locally by the propagandists themselves. The Japanese military apparently feared disturbances even in Tsinan on the anniversary of the outbreak of hostilities, the facts surrounding which incident they are trying so hard to distort through high-pressure propaganda to serve Japan's own purpose in China. Martial law was accordingly enforced from 11 p. m. last night to daylight today and a careful search of all persons entering the city has been instituted.

Respectfully yours,

Carl O. Hawthorne,
American Vice Consul.

800/820.02
COH:KCC/KCC

Original to Embassy, Peiping,
5 copies to Department,
Copies to Embassies, Chungking and Tokyo,
Copies to Consular Offices, Tientsin,
Tsingtao and Chefoo.



160

DECLASSIFIED: E.O. 11652, 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. 109.

AMERICAN CONSULATE,
Tsinan, China, July 7, 1939.

SUBJECT: SECOND ANNIVERSARY OF LUKOUCHIAO
INCIDENT COMMEMORATED IN TSINAN.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

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

- 2 -

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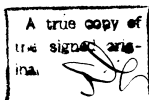
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5 copies to Department,
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Copies to Consular Offices, Tientsin,
Tsingtao and Chefoo.



060

DECLASSIFIED: E.O. 11652, 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. 109.

AMERICAN CONSULATE,
Tainan, China, July 7, 1939.

SUBJECT: SECOND ANNIVERSARY OF LUKOUCHIAO
INCIDENT COMMEMORATED IN TAINAN.

The Honorable
Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to report, as indicative of the absurd lengths to which Japanese propaganda is being carried in an effort to justify Japan's position in China in the eyes of the Chinese masses, that the second anniversary of the Lukouchiao incident was observed in Tainan by a Japanese-organized "Asia Revival Mass Meeting", in which the Japanese and Chinese authorities were "invited" to participate, "with a view to intensifying the emotions of the people." Furthermore, the period July 3rd to July 9th has been officially set aside as "Asia Revival Campaign Week", and Tainan is not proving particularly healthful for Chinese residents who have failed to display on their gates both the five-barred flag of conquered China and the rising sun.

Yesterday the Mayor of Tainan and other puppet officials and the Chairman of the Chinese Chamber of Commerce "called upon the various Japanese organizations

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

- 2 -

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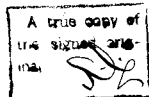
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Chastain NARS, Date 12-18-75

- 2 -

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
Respectfully yours,

Carl O. Hawthorne,
 American Vice Consul.

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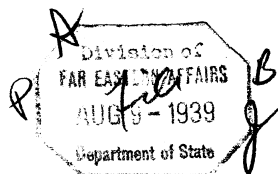
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA



AMERICAN EMBASSY

Tokyo, July 10, 1939.

No. 4030.

SUBJECT: BOMBINGS AT CHUNGKING.

RECEIVED
DEPARTMENT OF STATE

1939 AUG 7 PM 2 50

DIVISION OF
COMMUNICATIONS
AND RECORDS

793.94

793.94/15282

The Honorable

The Secretary of State,
Washington.

Sir:

As reported in our 320, July 10, 4 p.m., I called on the Minister for Foreign Affairs today and, in accordance with the Department's 186, July 7, 8 p.m., as under instructions, made emphatic representations against the bombing operations at Chungking on July 7 and 8.

The

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

-2-

The contents of Chungking's 425, July 6, 10 a.m., and 429, July 7, noon, which telegrams had been forwarded by airmail from Shanghai and were received at the same time as the Department's telegram under reference, were immediately communicated to the Director of the American Bureau at the Foreign Office, who undertook to get into touch with the Navy Department (the bombings at Chungking being carried out by naval airplanes). As the Minister for Foreign Affairs was not available during the weekend, I made arrangements this morning to call on him at the Foreign Office this afternoon. At the same time I sent Mr. Yoshizawa copies of Chungking's telegrams under reference and requested that they be brought to Mr. Arita's attention as soon as possible. Mr. Arita had received me on previous occasions at his official residence in order to escape the attention of newspaper reporters, but as he is busy at the moment with the Tientsin affair, it was suggested that I call first on Mr. Yoshizawa and then be conducted by a back hall to Mr. Arita's office.

I called on Mr. Yoshizawa as arranged at three o'clock, and was then conducted to Mr. Arita's office by a gallery which joins the American Bureau to the main building of the Foreign Office.

Mr. Arita said that he was much concerned over the reports of the bombing operations at Chungking; that he was particularly distressed to learn that bombs had fallen in close proximity to the residences of the American Ambassador and of members of his staff, and that he was thankful that nothing untoward had happened to Mr. Johnson and Mr. Peck. I replied that

0608

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

-3-

that there apparently had been danger of the PANAY and Huguessen cases being repeated at the same time. I went on to say that I had been instructed to inform him that the American Government continues to be greatly concerned over the Japanese bombings, the particular cases under reference having caused severe damage to an American property and reportedly the serious and perhaps fatal injury of an American citizen. I was also directed to ask that urgent steps be taken to put a stop to indiscriminate bombing.

Mr. Arita said that he could not promise that bombing operations would cease, as they are an important and effective means of carrying out the offensive against the Chinese. He had, however, caused all the information we had supplied to be brought to the attention of the naval authorities with the urgent request that some new method be found to safeguard American property. He said that Mr. Yoshizawa would speak to me at greater length on this subject. I pointed out that if the operations continued to be carried out as they had been it was inevitable that sooner or later a serious situation would arise. I left with Mr. Arita an informal paper setting forth the substance of my representations. A copy of that paper is 1/ enclosed.

I returned to Mr. Yoshizawa's office, and I was there shown a map of Chungking, apparently prepared by the American Embassy at Chungking, showing the location of American properties. Another map was produced which was marked to indicate the location of Chinese anti-aircraft batteries. These were marked

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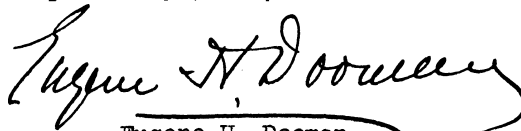
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-4-

marked as being located a trifle west of the center of the south portion of the city, one area being along the north river front and another area running roughly north and south. I told Mr. Yoshizawa that we had received a map from the Embassy at Chungking indicating the points where Japanese bombs had fallen in recent raids, and that the areas most heavily struck were those most thickly populated and nowhere near any military establishment. I referred also to the painful impression which is being created abroad by the fact that a large proportion of the bombs dropped were incendiary bombs and, therefore, obviously not intended for use against anti-aircraft guns.

Mr. Yoshizawa said that he had been in touch over the week-end with Admiral Inouye, Director of the Naval Affairs Bureau in the Navy Department. Orders had been issued some time ago to flyers to refrain from bombing if there were any doubt whatever as to the nationality of the property to be attacked, and it was intended to devise some way to insure that those orders are carried out.

Respectfully yours,


Eugene H. Dooman,
Chargé d'Affaires ad interim.

350

✓ EHD:C

Enclosure:
1/ As stated above.

Copies to:
American Embassy, Chungking;
" " Peiping;
Consulate General, Shanghai.

0611
DECLASSIFIED: E.O. 11652, 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. 4030 dated July 10, 1939,
from the Embassy at Tokyo.

Substance of Representations made by Mr. Dooman, Chargé
d'Affaires ad interim, to Mr. Arita, Minister for Foreign
Affairs, July 10, 1939.

The American Government is gravely concerned for the safety of the American Ambassador to China and of the members of his staff at Chungking, who were exposed to serious danger during the bombing of Chungking on July 8. Some of the bombs fell in the immediate vicinity of the American Embassy residences, others badly damaged the Lewis Memorial Institutional Church of the Methodist Episcopal Mission, and another, according to press reports, caused the serious and perhaps fatal injury of an American citizen.

The American Government expects that the Japanese Government will without delay take such steps as may be necessary to insure the avoidance of further endangering by Japanese bombing operations of American lives and property.

061
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 18, 1939.

Feiping's despatch no. 2146 of July 11.

To note the brief covering despatch. The enclosed four despatches from Canton report the following items of interest:

(despatch no. 14) Japanese military notes, which have depreciated 40 percent since entering into circulation, are used in transactions involving Japanese nationals, but "there appears to be no attempt to displace the Chinese currencies". The area's unsatisfactory economic conditions are reflected by the fact that the puppet Peace Maintenance Commission's principal revenue comes from a gambling concessionaire.

(despatch no. 15) "Rehabilitation work in the Canton area, other than the partial restoration of public utilities, has been negligible" and probably will be for some time. The cost of rebuilding the city has been "conservatively" reported as yuan 69,000,000. No Japanese or Chinese capital seems forthcoming, and with the city cut off from trade with Hong Kong and the rest of China, "there is no incentive or justification to rebuild".

(despatch no. 16) Rehabilitation of the old water works and the older and less completely destroyed of the two power plants "has progressed under Japanese army direction and a limited amount of water and electricity has been available for several months for the general public; and it was hoped to restore unlimited service by the end of June. Nothing has been done

toward

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

toward restoring the completely destroyed new water works and new power plant.

(despatch no. 17) The American-managed Canton Telephone Administration has reestablished its lines, but with only 15 percent of its former subscribers; and has suffered little interference though considerable pilferage at the hands of the Japanese military. The Japanese, having opened their own wireless station and a broadcasting station, hope to have the Chinese Government station on Shameen closed. The legitimate provincial government has opened a rival broadcasting station in northern Kwangtung. "Foreign mail services have improved considerably since the first of the year" Japanese censors at Canton are believed responsible for a marked slowing up in the despatch of mails, "although complaints in regard to actual interference with foreign mail matter have been comparatively rare." Limited bus and river junk services have been opened in the restricted territory under Japanese control. No regular rail or commercial air services have been resumed and Pearl River services are limited to passenger traffic.

Such little information as these despatches report concerning Hainan indicates a situation there generally corresponding to that at Canton.

793.94/15283

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



EMBASSY OF THE
UNITED STATES OF AMERICA

16854

No. 2146

Peiping, July 11, 1939.

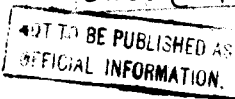
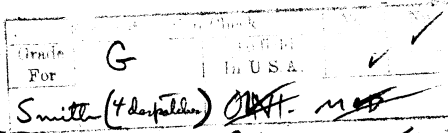
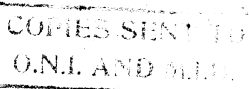
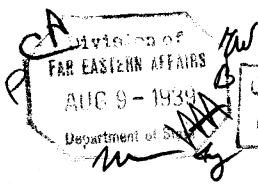
Subject: Present Conditions in the Canton
Consular District.

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DEPARTMENT OF STATE

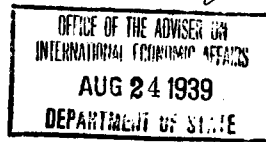
1939 AUG 7 PM 2 52

DIVISION OF
COMMUNICATIONS
AND RECORDS



Commerce {not for publication
Treasury {a attribution

AUG 25 1939



The Honorable

The Secretary of State,

Washington, D.C.

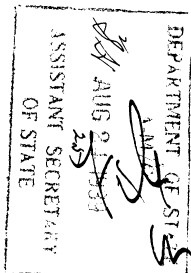
A-M/C

Sir:

RECORDING DESK
FILE-C.S.

I have the honor to enclose copies of the follow-
1-4/ ing despatches, addressed to the Embassy, prepared by
the Consulate General at Canton, China, on June 5, 1939:

- No. 14 - Financial Conditions in Japanese-occupied Areas.
- No. 15 - Rehabilitation Work in Japanese-occupied Areas.
- No. 16 - Public Utilities in Japanese-occupied Areas.
- No. 17 - Communications in Japanese-occupied Areas.



FILED
AUG 28 1939

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793.94/15283

161
DECLASSIFIED: E.O. 11652, 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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These despatches were prepared at the Embassy's request in conformity with a suggestion of the Division of Far Eastern Affairs* that reports on such subjects might be of interest to the Department.

It was at first the Embassy's plan to embody the information obtained in this manner from the various consular offices in China into one or more comprehensive reports, but on perusing these despatches received from Canton it was realized that the economic and political life of that area had so little connection with the rest of China that it would be difficult to include them in a general discussion. They are accordingly transmitted to the Department with the following comment:

It would appear that the development and rehabilitation of the Japanese-occupied area at Canton are far behind achievements in Central and North China. No reports have reached the Embassy of the formation of large development companies in Canton such as have been created elsewhere, and it is believed that the reason is not only the fact that a considerable portion of the city was destroyed. The Japanese have made no effort to enlarge the area occupied by them in South China, once they controlled the railways and the navigation facilities. Moreover, there does not seem to have been any serious attempt to establish a puppet government, other than a Peace Maintenance Commission, and no efforts have been made to set up a new bank or issue a new currency. The Embassy suggests, therefore, that perhaps the Japanese have no present plans for the economic development of South China

under

*Informal comments on despatches and telegrams for January, February, March 1939.

DECLASSIFIED: E.O. 11652, 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 -

under their aegis, and are concentrating their energies
in the north, although perhaps they may succeed in creat-
ing a government which would nominally control all of
China with less Japanese interference in the south than
elsewhere.

Respectfully yours,

For the Ambassador:

Robert L. Smyth

Robert L. Smyth
Second Secretary of Embassy

Enclosures:

4 despatches, as
listed above.

Original and 4 copies to Department.
Copy to Embassy, Chungking (enclosures sent direct).
Copy to Consulate General, Canton.

800/815/870

HMB-SC

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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

No. 14

ENCLOSURE NO. 1
TO DESPATCH NO. 2146

AMERICAN CONSULATE GENERAL
CANTON, CHINA

June 5, 1939.

SUBJECT: Financial Conditions in Japanese-
occupied Areas.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

In compliance with the Embassy's telegraphic instruction of May 15, 1939, calling for the preparation of a number of brief summary reports, I have the honor to report upon financial conditions in Japanese-occupied areas within this consular district.

Since the occupation of Canton in October 1938 the value of Kwangtung provincial currency has remained steady in relation to the yuan and the Hong Kong dollar, local currency generally being preferred to national currency by the average shopkeeper and accepted at a premium over the declared exchange rate of local 1.44 equals Yuan 1.00. Japanese military notes, introduced in November 1938, have become the medium of exchange in transactions involving Japanese nationals, both military and civilian, but their original exchange value (MN\$1.00 equals Yuan 2.00) has not been maintained, the value having fallen some 40% since the notes were first circulated.* Although taxes assessed by the Kwangtung Peace

Maintenance

*An effort is being made to ascertain the amount of military notes in circulation. If obtainable, the Embassy will be informed by naval radio.

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

- 2 -

Maintenance Commission are stated in terms of military notes, there appears to be no attempt to displace the Chinese currencies, and such a move in the near future is considered unlikely as a result of Japanese difficulties in manipulating currency elsewhere in China and in view of the limited area under effective Japanese control.

An indication of economic conditions in the occupied area may be obtained from a recent announcement that the Kwangtung Peace Maintenance Commission's principal revenue comes from a gambling concessionaire who is reported to pay the Commission M\$1,650 daily. Next in importance as sources of revenue are the police tax, the night soil concession and the rickshaw concessions. Collections of a business tax at rates of 40% of last year's has been announced, but little revenue is expected as long as trade and industry remain dormant. Other contemplated sources of revenue include opium and prostitution monopolies, tobacco and wine taxes, wharf fees, sampan anchorage fees, and restaurant and cafe taxes.

This office has no definite information in regard to financial conditions on Hainan Island, but it is safe to assume that conditions are similar to those obtaining in Canton, although on a smaller scale.

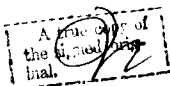
Respectfully yours,

M. S. Myers,
American Consul General.

Original and 5 copies to Embassy, Peiping.
One copy to Embassy, Chungking.

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WS/csw



0618

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

No. 15

ENCLOSURE NO. 2
TO DESPATCH NO. 2146

June 5, 1939.

SUBJECT: Rehabilitation Work in Japanese-occupied Areas.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

In compliance with the Embassy's telegraphic instruction of May 15, 1939, calling for the preparation of a number of brief summary reports, I have the honor to report upon rehabilitation work in Japanese-occupied areas within this consular district.

Rehabilitation work in the Canton area, other than the partial restoration of public utilities, has been negligible. Large business and residential districts which were destroyed by fire in October and November 1938 remain much as they were six months ago, except that debris has been removed from the principal streets to facilitate operations of the Japanese Army, the ruins have been combed for scrap iron, most of which has been shipped to Japan, and some bricks have been removed and cleaned in preparation for possible rebuilding. Business, what little there is, has generally moved to streets untouched by the recent conflagrations.

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- 2 -

An investigation made by the Kwangtung Peace Maintenance Commission has disclosed that fires presumably set by Chinese destroyed ten times as much property as Japanese bombs, and that Yuan 69,000,000 (US\$11,500,000) will be needed to rebuild the city. This figure is believed to be a conservative estimate. For the past several weeks the Commission has been making surveys in order to refix property lines obliterated by the fires, but no large-scale rebuilding project has been announced and none is expected for some time to come. Japanese interests do not appear to have capital available for such uses, and wealthy Chinese, most of whom have fled to Hong Kong and Macao, are not interested under existing conditions. Furthermore, with the Pearl River closed to non-Japanese foreign trade and the city cut off by hostilities from principal tributary areas, there is no incentive or justification to rebuild. In fact, it is generally agreed by foreign observers that the city's population, having already expanded beyond a point justified by trade and industry, has in recent weeks been gradually declining.

Formosan interests have recently reopened two former provincial sugar mills, and Japanese authorities are reported to have been considering the reoperation of other provincial plants, particularly the cement mill, the caustic soda plant, the sulphuric acid plant, and the brewery, all of which are in a badly damaged condition and will require a considerable outlay of capital to restore.

The

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

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The Japanese Army has taken charge of restoring the old Canton municipal power plant and water works, both of which were partially destroyed as a result of fires set by Chinese who fled the city in October 1938, and it is understood that both plants are expected to be in full working order by the end of June.

According to information available to this office, little rehabilitation work is being done in Hainan, there having been no serious destruction of property as a result of hostilities.

A certain amount of human rehabilitation work is being carried on in foreign-managed refugee camps, where refugees are being taught such trades as weaving, sewing, shoemaking and basket making, and children are being educated, all public schools having been closed since the fall of the city.

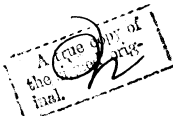
Respectfully yours,

M. B. Myers,
American Consul General.

Original and five copies to Embassy, Peiping.
One copy to Embassy, Chungking.

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062

DECLASSIFIED: E.O. 11652, 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. 16

ENCLOSURE ³
TO DESPATCH NO. 2146

AMERICAN CONSULATE GENERAL
CANTON, CHINA

June 5, 1939.

SUBJECT: Public Utilities in Japanese-occupied Areas.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

In compliance with the Embassy's telegraphic instruction of May 15, 1939, calling for the preparation of a number of brief summary reports, I have the honor to report upon public utilities in Japanese-occupied areas in the Canton consular district.

When Japanese forces entered Canton in October 1938 all public utilities had been put out of commission. The old waterworks, located in Saichuen, and the old power plant, situated on the Bund, had been fired by order of fleeing Chinese officials, who were desirous of leaving nothing which might be of use to the invading forces. Although a very thorough job of destruction was done in the case of the waterworks, haste prevented the Chinese from completely destroying the power plant, and two small generators which had been overlooked were put in operation by the Japanese Army for military purposes. Rehabilitation of both plants has progressed under Japanese Army direction, and a limited amount of water and electricity has been available

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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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for several months to the general public. Announcement has been made that it is hoped to restore unlimited service by the end of June. It is understood that the necessary repair materials have been brought from Japan.

Under normal conditions, the capacity of the old power plant was far too small to supply the entire city, and in 1937 a new 30,000 kilowatt plant was completed in Saichuen at an estimated cost of US\$2,730,000. This plant was one of the principal targets of Japanese bombers, and in 1938 was damaged almost beyond repair. The German firm which constructed it on extended payment terms is understood to be "holding the bag" and is dismantling the plant in an effort to salvage something from the wreckage. If and when industry and trade revive, the construction of another power plant in Canton will be imperative.

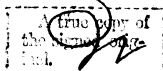
The new waterworks, adjacent to the old plant, was under construction by a British firm at an estimated cost of US\$1,000,000, when, early in 1938, it too was damaged by Japanese bombers. Construction ceased and no resumption of activity is expected in the near future.

This office has no information in regard to the condition of public utilities on Hainan Island; however the power plant at Hoihow is known to be functioning as usual and is believed to have suffered no damage.

Respectfully yours,

M. S. Myers,
American Consul General.
Original and 5 copies to Embassy, Peiping.
One copy to Embassy, Chungking.

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

No. 17

ENCLOSURE NO. 4
 TO DESPATCH NO. 2146

AMERICAN CONSULATE GENERAL
 CANTON, CHINA

June 5, 1939.

SUBJECT: Communications in Japanese-occupied Areas.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peking.

Sir:

In compliance with the Embassy's telegraphic instruction of May 15, 1939, calling for the preparation of a number of brief summary reports, I have the honor to report upon communications in Japanese-occupied areas within this consular district.

By the end of May, the American-managed Canton Telephone Administration had reestablished its lines in all parts of the city and the number of subscribers stood at 1,521, an increase of 80% since the first of March, but still only 15% of the number prior to hostilities. A representative of the company recently stated that it could not operate at a profit with fewer than 4,000 subscribers. There has been little or no Japanese interference with the management of the Administration, but considerable trouble has been caused by Japanese Army communications crews, who apparently feel free to tear down and appropriate the Administration's poles and cables whenever they are in need of equipment.

Permission

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

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Permission to repair the Canton-Hong Kong telephone cable, damaged at Sheklung, is still refused by Japanese authorities.

The Chinese Government radio office, located on Shameen, still offers service to all parts of the world by way of Hong Kong, but it is understood that the Japanese, who have opened their own wireless station in the city and are accepting commercial messages, are desirous of having the Shameen office closed. Japanese authorities in April also established a telegraph office in Hoihow, Hainan, for communication with Japan, Formosa, Canton and Amoy.

Radio broadcasting station XGOK under Formosan operation and Japanese Army control commenced daily broadcasts in Cantonese and English on April 15th. The station is used primarily for propaganda purposes. To counteract this, the Kwangtung Provincial Government in the latter part of May opened in Kūkong (曲江), about 150 miles north of Canton, station XGOP, broadcasting in Cantonese, Mandarin, and English.

Foreign mail services have improved considerably since the first of the year, there being at present 15 sailings monthly each way between Canton and Macao, by Japanese vessels. Weekly and fortnightly services are maintained between Canton and Hong Kong by Japanese and British vessels respectively, and Japanese transports maintain a weekly mail schedule between Canton and Hoihow, Hainan. Japanese censors, installed in the Canton Post Office during December 1938, are believed to be responsible for a marked slowing up in the despatch of mails, although complaints in regard to actual interference

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interference with foreign mail matter have been comparatively rare.

Formosan interests in January established a bus service in Canton and a line between Canton and Yatschan with ten buses newly imported from Japan. The service appears to be primarily for the convenience of the Japanese Army and is not believed to be operated on a paying basis.

It is understood that bus services between Hoihow and Kiungchow, and possibly other points on Hainan Island, have been reestablished.

Ferry and junk routes between Canton and nearby centers are being reestablished as conditions warrant, but cases of piracy continue to be reported almost daily, and on at least one route a regular tribute is paid to robber gangs.

All railroad schedules have been completely disrupted since October 1938. The Japanese Army makes occasional use of the Canton-Samshui Line, the Loop Line, connecting the Canton-Hankow Railway with Shampon, fifteen miles east of the city, and the Canton-Kowloon Line as far as Sheklung, where bridges were blown up in October 1938, but there appears to be no indication at present of an early resumption of services to Kowloon.

The Pearl River remains closed to commercial traffic of third power nationals, only passenger traffic being permitted between Canton and Hong Kong and Macao, in accordance with schedules mentioned under the paragraph on mail services.

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

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A daily passenger plane between Canton and Formosa for the use of the Japanese Army has been in operation for several months, but there are no commercial air services in the occupied area at the present time, all landing fields having been taken over by the Japanese military authorities.

Respectfully yours,

M. S. Myers,
American Consul General.

Original and 5 copies to Embassy, Peiping.
One copy to Embassy, Chungking.

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

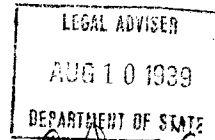
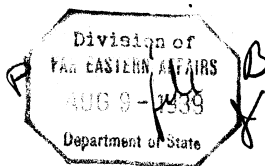


EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2122

Peiping, June 27, 1939

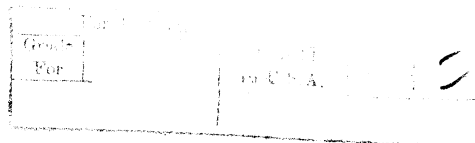
Subject: Endangering the Lives of American
through the Bombing of the City
of Hanchung, Shensi



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DEPARTMENT OF STATE

1939 AUG 7 PM 2 43

DIVISION OF
COMMUNICATIONS
AND RECORDS



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The Honorable

The Secretary of State,
Washington, D.C.

Sir:

I have the honor to refer to this Embassy's tele-
gram No. 311, June 27, 4 p.m., in regard to the endan-
gering of the lives of American citizens through the
bombing of the city of Hanchung, Shensi, and to trans-
mit herewith, as a matter of record, a copy of a com-
munication on the subject, under date June 27, 1939
addressed by this Embassy to the Japanese Embassy at
Peiping.

Respectfully yours,

For the Ambassador:

Robert L. Smyth
Robert L. Smyth
Second Secretary of Embassy

Enclosure

793.94/15284

F/FG 15284

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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 -

Enclosure:

- 1/ Letter to Japanese Embassy,
June 27, 1939.

Original and 1 copy to Department.
Copy to Embassy, Chungking.
Copy to Embassy, Tokyo.
Copy to Consulate General, Shanghai.
Copy to Consulate General, Hankow.

360/350
ARR-JK

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

Enclosure No. 1
Despatch No. 2122

Peiping, June 27, 1939

Sir and dear Colleagues:

I have the honor to inform you that this Embassy is in receipt of a telegram from the American Consulate General at Hankow to the effect that, according to a letter received in that office from Miss Ruby V. Thompson, an American citizen associated with the China Inland Mission (内地會), during the course of air raids over the city of Manchung, Shensi (陝西漢中) (new name, Mancheng (南鄭)), on May 6 and 7, a large bomb fell in the yard near the mission house, endangering the lives of the occupants. It is understood that, in addition to Miss Thompson, Miss Helen Dalton, another American citizen associated with the China Inland Mission, was also present at the time of the air raids, and that, notwithstanding the fact that she was seriously ill, it

was

Tateki Horiuchi, Esquire,
Counselor of Embassy,
Embassy of Japan,
Peiping.

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was thought necessary to evacuate her by truck to
 Ninkiang (寧 羌), en route to Chengtu (成 都).

This Embassy protests against the endangering of
 American lives through apparently indiscriminate bomb-
 ing of the city of Manchung, as well as against any
 activity of the Japanese armed forces which jeopardizes
 the lives and property of American citizens. I reserve
 all rights in respect of losses and damages suffered
 by American citizens as a result of these air raids.

The information contained in this communication
 is being transmitted to the American Embassy at Tokyo.

I avail myself of this opportunity to extend to
 you, Sir and dear Colleagues, the renewed assurances of
 my highest consideration.

For the Ambassador:

Robert L. Dayth
 Second Secretary of Embassy

360/350
 ARR-JK

A true copy of
 the signed origi-
 nal. *JK*

DECLASSIFIED: E.O. 11652, 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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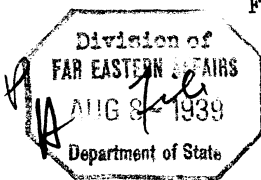
AM 9 29

August 7, 1939

I. R. BARNES, CLERK
 OF
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FE: 793.94/15242

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



My dear Mr. Secretary :

Receipt is acknowledged of your letter of July 29 enclosing
 a copy of a telegraphic message received by the Ambassador
 from twenty-two organizations of the Chinese people.
 This will be placed in the proper file for future reference.

Sincerely yours,

Sol Bloom

FILED
 AUG 8 - 1939

793.94/ 15285

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063

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
August 14, 1939

Tsinan's despatch no. 108 of July 6 reports that the recent extension by the Japanese to western Shantung of large-scale military operations and their use of increased forces in the Province proves that they "are definitely concentrating on the pacification of Shantung once and for all", but appear thus far to have achieved nothing important; and that "if persisted in, the tactics being employed by the Chinese commanders, as outlined in this Consulate's report under reference, will render the Japanese task extremely difficult, if not impossible, except by the use of a larger military force than may easily be spared from other sections of occupied China."

Tsinan's later despatch of July 10 (no. 113), supplementing the above, reports that the Japanese succeeded in occupying four towns in western Shantung.

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

No. 108.

AMERICAN CONSULATE,

Division of Tsinan, China, July 6, 1939.
 FAR EASTERN AFFAIRS
 1939-1939
 Department of State

SUBJECT: MILITARY SITUATION IN SHANTUNG.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

I have the honor to refer to those sections of the Consulate's Monthly Political Report for June 1939 contained on pages 4 to 8 thereof, headed "Japanese Policy in Shantung" and "Military Situation", respectively, and to report that the Japanese military Headquarters in Tsinan have announced that "bandit suppression operations" were launched in western Shantung on June 26th, while Domei claims that the center of the Japanese drive in Shantung has shifted from southern to western Shantung, west of the Tsinpu line.

Domei estimates the number of enemy troops in western Shantung at approximately 10,000, but a recapitulation of Chinese forces in the Sinhsien-Chaoch'eng-Kwan'eng area (in western Shantung near the Hopeh border), prepared by the Japanese military for the local press, is given below:

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

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<u>Unit</u>	<u>Strength</u>
The 343rd Brigade of the 25th Division of the 18th Army Corps under the command of Ch'en Kwang (Kuo-mintang)	15,000
One detachment of the 129th Division under the command of Hsu Hsiang-ch'ien (8th Route Army)	16,000
Under the command of Li Shu-ch'un, former Commissioner of Civil Affairs of Shantung Provincial Government	10,000
Under the command of Feng Shou-peng, Commissioner of the 1st Special Administrative Area, and Wang Chin-hsiang, Commissioner of the 6th Special Administrative Area, respectively	40,000 (10 brigades)
Total	<u><u>81,000</u></u>

The Japanese claim the occupation of Ch'engwu on June 30th, Tingt'ao (erroneously shown on Postal Map as Tangt'ao) on July 1st and Tsaoshowfu (Hotseh) on July 3rd, all of which places are in southwestern Shantung.

No information more recent than that contained in the Consulate's Monthly Political Report for June has been forthcoming concerning the military situation in southern Shantung, but it is not considered likely that the Japanese military have failed to announce any important progress. Japanese silence is therefore interpreted as indicating that little change in the situation in the south has taken place.

The extension of large-scale Japanese military operations to western Shantung, using troops believed to have been withdrawn from Kaifang and Kweitch, Honan, and Suchowfu, Kiangsu, is possibly designed to prevent

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the consolidation of the Chinese forces in southern Shantung (previously estimated by Domei as aggregating 86,800 men) and those of about an equal number enumerated above, which are believed only recently to have entered this province from Hopeh. On the other hand, the maneuver may be an effort to cut off any possible retreat into Honan of the Chinese forces in southern Shantung. Still another possibility, which does not appear improbable in view of the stalemate which has apparently been reached in southern Shantung, is that Japanese forces in that area have proven inadequate to bring the campaign to a successful conclusion and that these additional Japanese troops are intended primarily to reinforce the south Shantung contingent.

In any case, it seems clear that

- (1) the Japanese are now definitely concentrating on the "pacification" of Shantung once and for all;
- (2) that they have recently introduced into this province for that purpose a considerable number of additional troops and
- (3) that, if persisted in, the tactics being employed by the Chinese commanders, as outlined in this Consulate's report under reference, will render the Japanese task extremely difficult, if not impossible, except by the use of a larger military force than may easily be spared from other sections of occupied China.

Respectfully yours,

Carl O. Hawthorne,
 American Vice Consul.

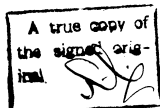
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date: 12-18-75

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Original to Embassy, Peiping,
5 copies to Department,
Copies to Embassies, Chungking and Tokyo,
Copies to Consular offices, Tientsin,
Taingtao and Chefoo.



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



CONFIDENTIAL

—2 Digest of Information
 Far Eastern Situation
 July 14-28, 1939

G-8
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Note: Situation Map does not accompany this report.

1. GENERAL.

a. Japanese clearing operations in Shanai have been extended to cover the zone bounded by the Lung-Pu, Chong-Tai and Ping-Han Railways. They involve at least four divisions but are meeting with no substantial success except in terms of ground marched over.

b. The Japanese blockade of South China ports has been extended to six more ports in Kwangtung and Chekiang. The economic character of this blockade is becoming more apparent.

c. Sporadic fighting involving ground forces as large as battalions and groups of aviation has been resumed in the Homenhan region on the Manchoukuo-Mongolian border. In this region the Russians have pushed additional forces across the Khalkha River under efficient artillery support. According to plausible but unconfirmed reports the Russians have served notice of their ability to expand the Homenhan incident by bombing Bularki, on the Chinese Eastern Railway near Tsitsihar, and making a demonstration flight over south Manchuria. In connection with the Sakhalin situation, the Japanese have established a naval concentration in north Japanese waters.

2. INCIDENTAL.

a. The meeting of the United Council of the Republic of China at Tsingtao adjourned without announced results. Apparently serious obstacles to the consolidation of the Japanese agent governments were encountered. Publicization of Wang Ching-wei's views has died down and his assumption of office under Japanese auspices seems to be a matter for the future.

b. Philip Foo and Leighton Stuart, pro-nationalist advisers of Wang Ching-wei are now en route to Chungking. They are reported to be the bearers of relatively lenient terms of peace. Nationalist authorities have assumed in advance an attitude of suspicion and distrust toward any proposals they may bring.

c. The precipitous decline of the foreign exchange value of the Chinese national currency has continued. On July 19 the yuan reached a record low of seven cents on the Shanghai market. The fall of the

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

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yuan has dragged down with it the yen and its associated currencies in China, where the yen is still roughly equivalent to the yuan, but thanks to restrictions established in Japan proper and on world exchanges the world value of that monetary unit has remained unimpaired. Comment: The flight from the yuan can be properly ascribed to a failure in confidence; but the causes of this failure are various. They include belief that the Anglo-Chinese stabilization fund is nearing exhaustion, fear that the Japanese will be able to force British withdrawal from stabilization operations, drying up of foreign exchange sources as Chinese ports are blockaded and exports diminish, dumping on the Shanghai market of yuan acquired in North China by Japanese interests and short selling by speculators. Economically the effect of the collapse on the war is relatively unimportant; purchases on foreign currency credits account for most of China's munitions supply and in "Free China" the purchasing power of the yuan seems to be subject only to a gradual inflationary process. Politically it is another matter. The fall of the yuan undoubtedly will hearten the Japanese. Furthermore it may be expected that large Chinese commercial and financial elements will be disheartened and inclined to believe that further resistance is futile as well as costly. In this sense the Japanese have gained their greatest victory since the fall of Wuhan and Canton last October.

d. Russo-Japanese relations were complicated by the Japanese reaction to restrictive and penalty measures imposed on Japanese concessions in the Russian portion of Sakhalin. The Soviet Government rejected without attention a Japanese note calling for remedial action by July 18 and subsequently published its side of the controversy. This matter is of some importance in view of the already strained relations existing between Russia and Japan.

e. Japanese-Occidental relations in Shanghai have remained tense but no important developments have occurred. The same situation obtains in Amoy.

In North China there have been widespread inspired anti-British activities, notably at Kaifeng, Tsinan and Tsingtao, including an amateurish bombing of the British consulate at Tsingtao. The Tientsin blockade continues, but with less provocation on the side of the Japanese.

The Japanese have announced the formal closing and blockade of the Pearl River. A blockade of the British concession at Canton is an obvious possibility.

f. Anglo-Japanese negotiations on the Tientsin question involving Ambassador Craigie and Foreign Minister Arita resulted after considerable disputation on July 13 in the adoption of the following formula of principle:

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"His Majesty's Government in the United Kingdom fully recognized the situation in China where hostilities on a large scale are in progress and note that as long as that state of affairs continues to exist the Japanese forces in China have special requirements for the purpose of safeguarding their own security and maintaining public order in regions under their control and that they have to suppress or remove any such acts or causes as will obstruct them or benefit their enemy.

"His Majesty's Government have no intention of countenancing any acts or measures prejudicial to the attainment of the above mentioned objects by Japanese forces and they will take this opportunity to confirm their policy in this respect by making it plain to British authorities and British nationals in China that they should refrain from such acts and measures."

Subsequently the full committees of negotiators set about considering the concrete questions at issue. No information is available as to the progress of these negotiations.

Comment: The formula of principle is obviously ambiguous. While Prime Minister Chamberlain has characterized it as "a statement of fact" and denied that British financial support of the Chinese currency was involved, it was obvious that the Japanese, with the initiative in their hands, were determined to exploit the British retreat to the full in terms of the "New order in Asia." For this reason the agreement was hailed with jubilation in Japan and by the Japanese Army in China. It is obvious that the progress and scope of the negotiations will be affected by the American denunciation of the 1911 Commercial Treaty.

g. On July 26 Secretary Hull informed Ambassador Horinouchi that the United States would terminate the 1911 Commercial Treaty at the earliest date possible under its provisions, January 28, 1940. The reason given was the obsolescence of the treaty. In Japan this action at once was stigmatized as political in motive, aligning America with Great Britain in resistance to the "New Order." No official Japanese reaction has been registered as yet, nor has Japanese public opinion crystallized on the subject.

Comment: The abrogation of the treaty has obvious European and domestic American implications. In terms of the Far East it carries the implied threat of punitive economic action against Japan. A tide of Japanese indignation is probable but not certain. While to date the British authorities have been careful to curb any expression of enthusiasm over this step, it undoubtedly will strengthen their hands in the Tientsin negotiations.

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CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Interview given to the Press by Japanese
Prime Minister. Encloses text of trans-
lation of -, as reported in the vernacular
press, including discussion concerning --.

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793.94 / 15288

For the original paper from which reference is taken

See despatch # 4029
(Despatch, telegram, instruction, letter, etc.)

Dated July 14, 1939 From Japan (Dooman)
To

File No. 794.00/151

793.94 / 15288 -

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

FE

TELEGRAM RECEIVED

CJ
This telegram must be SHANGHAI VIA NR
closely paraphrased before being communicated to anyone. (br)

Dated August 10, 1939

FROM Rec'd 1:20 p.m.

Secretary of State,
Washington.

707, August 10, noon.

Hankow's 171, July 25, 2 p.m. regarding the withdrawal of Japanese troops.

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m

COPIES IN PARAGRAPH
SENT TO C.I.D. IN
P.I.D. IN

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A thoroughly reliable informant was told recently by the "puppet" governor of Kiangsu with whom he is on friendly terms that the Japanese have withdrawn a large number of troops from the lower Yangtze Valley area in which the governor stated there are not more than 16,000 troops at the present time; that the Japanese military authorities have instructed him that he must assume "military responsibility" for Kiangsu province within the next two or three weeks; and that he was proceeding to Nanking August 6 to confer with Japanese military headquarters and officials of the "reformed government" concerning this matter. The source mentioned stated that the governor was obviously much worried over these developments and did not know precisely what they portended.

There is some contributory information from intelligence sources here regarding the withdrawal of several divisions

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-2- #707, August 10, noon, from Shanghai via NR

divisions of Japanese troops from the Yangtze Valley.

It is thought however that some of these troops are being transferred to Manchuria but that the major portion are being sent back to Japan and will be replaced by fresh troops.

Repeated to Chungking, Peiping, Nanking and Hankow.

Code text by air mail to Tokyo.

GAUSS

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

(Confidential)

P A R A P H R A S E

A telegram (no. 707) of August 10, 1939 from the American Consul General at Shanghai reads substantially as follows:

The Chairman of the Japanese sponsored provincial government of Kiangsu a short time ago told a person with whom he is on friendly terms and who is an entirely dependable informant that as a result of the large withdrawals of troops from the region of the lower Yangtze Valley which the Japanese have made, no more than 16,000 Japanese soldiers now remain in that area; that he (the Chairman) has received instructions that within a period of two or three weeks the "military responsibility" for his province (Kiangsu) must be undertaken by him; and that, in order to discuss this matter with members of the (so-called) Reformed Government and with Japanese army headquarters, he was leaving on the sixth of August for Nanking. According to the above-mentioned informant, the Chairman was ignorant of the exact portent of these developments and was plainly feeling much anxiety.

Corroboratory information concerning the departure from the Yangtze Valley of several Japanese divisions has also been reported by Shanghai intelligence sources. However, it is believed that, except for some who are being moved to

Manchuria

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Manchuria, these troops are returning to Japan and are to
be replaced by new units.

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese relations.

Report concerning -, for month of May, 1939.

aa

For the original paper from which reference is taken

See despatch # 3999
(Despatch, telegram, instruction, letter, etc.)

Dated June 17, 1939 From Japan (Dooman)
To

File No. 894.00 P.R./138

763.94 / 15290

15290

DECLASSIFIED: E.O. 11652, 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) China.

1. Foreign Concessions.

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On May 3rd the Vice Minister for Foreign Affairs presented to the American and British Ambassadors identical aide mémoires setting forth, as have been described in a foregoing section of this report, the Japanese Government's representations in regard to the affairs of the International Settlement at Shanghai. Full publicity was given to the representations in the Japanese press, and as was to be expected unanimous approval and support were given to the position taken by the

Government.

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- * Embassy's despatch no. 3899, May 17, 1939.
** Embassy's despatch no. 3918, May 25, 1939.
*** Embassy's despatch no. 3916, May 25, 1939.

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Government. In discussing the features of the aide mémoires, it was stressed in the press editorials that the causes for this issue in regard to the International Settlement at Shanghai, as well as the other foreign settlements and concessions in China, were (1) the complaint, which had often been made in the past, that the concessions had failed, either deliberately or through incompetency, in suppressing terrorism and anti-Japanese activities within their confines, (2) the complaint, more recently expressed, that Japan and Japanese interests were not adequately represented in their administrations and in directing their affairs, and (3) that the administrations were failing to cooperate, politically, economically and financially, with the new régimes set up in Japanese occupied territory.

Mr. Yoshiaki Miura, Japanese Consul General at Shanghai came to Japan on May 14 and in a press interview given upon his arrival, is reported to have said, in regard to Japanese intentions for dealing with the situation at Shanghai, that through steps proposed by the Japanese Government towards changing the present status of Shanghai International Settlement, Japan should do away with the situation whereby China has been on a semi-colonial standing as far as the Western Powers were concerned. Before his return to Shanghai he issued a further statement in which he reportedly stated that he would continue to carry on negotiations regarding the Settlement administration in a reasonable and friendly manner, "but that if the Powers refuse to negotiate on the entire scope of the problems, it would mean that the best medium for an amicable solution of the International Settlement question would be lost."

According

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According to the various articles in the press Mr. Miura was given by the Foreign Office new instructions for renewed negotiations for reorganization of the Shanghai International Settlement. It was also reported that three conceivable methods were envisaged by the Japanese Government for the settlement of the solution there: the first was to restore the concessions to a new Central Government in China which would be established at a future date; the second, representing a temporizing solution pending the future restoration of the concessions to a new Central Government, was to revise the land regulations in the light of the present day situation, the course to be followed in doing this being embodied in Japan's representations on May 3 to the British and American Governments; the third was to maintain the status quo of the concessions through the cooperation of the treaty Powers with Japan. This last method it was understood would involve the suppression of terrorism, the control of anti-Japanese activities, propaganda and publications, the prohibition of the display of the Kuomintang flags, and the cooperation of the administrations with the local Chinese régime.

Reports appeared in the press in Japan during the month under review that the refusal of the Tientsin British authorities to turn over to the local Japanese authorities four persons whom they were holding, suspected of murdering a Chinese "puppet" government official in April, was aggravating the relationship between the Japanese and British at that city. It was stated that the Japanese military there had made it quite clear that they intended to insist on the surrender of the four men. However, no official statements were

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were made in the matter in Japan.

On May 11 Japanese marines were landed in the International Settlement at Kulangsu, Amoy, after the murder of the "pro-Japanese" president of the Amoy Chamber of Commerce, for the announced purpose of arresting the culprits and as a measure of self-defense to protect Japanese nationals. This action was followed on May 14 by five demands for drastic changes of the Settlement Administration being made on the Kulangsu Municipal Council by the Japanese Consul General. On May 19 a statement was issued by the Foreign Office that no reason was seen for the landing of the British, American and French forces two days before, it being claimed that the lives and property of other nationals had not been endangered by the Japanese action. A statement was made on May 25 by the spokesman of the Navy in Japan that the action by the third Powers had aggravated the situation at Kulangsu and that in particular the attitude of the Municipal Council of the Settlement had suddenly changed from a conciliatory and cooperative one to one of non-cooperation with the Japanese authorities, and that therefore the situation could not warrant the withdrawal of Japanese marines for some time.*

On May 24 the spokesman of the Foreign Office in a statement made concerning Japanese rights in relation to the concessions in China was reported to have declared that although the administration of the foreign settlements was in foreign hands, Chinese sovereignty still extended over these settlements; that as it was the Japanese aim in China to control Chinese sovereignty, this sovereignty might also be controlled

in

* Embassy's despatch no. 3937, June 7, 1939.

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in the settlements; that Japan had rights in the administration of the International Settlements and that she might therefore resort to force to safeguard these rights, which should be legally recognized; and that the present hostilities in China should not be permitted to constitute a reason for delay in Japan's initiating administrative reforms in those areas.

In the press campaign that appeared over the whole issue of the foreign concessions, besides their being labelled as "hot-beds of anti-Japanese agitation", it was also claimed that there were further reasons for Japan not permitting them to continue in their present status. It was held that the Japanese armies had achieved brilliant successes in China but that the victories were being negated by the situation existing in the concessions in that the concessions were giving assistance to the Chiang Kai-shek régime, were bolstering up Chinese resistance to Japan, and were generally restricting the attainment of Japan's objectives in China. The solution of the issue, according to the press, was a demand freely voiced even by the formerly most conservative newspapers, that either the concessions be ended once and for all or that their control be turned over to Japan.

2. Military Operations.

The principal Japanese military activity during the month of May was a campaign involving rather large forces, said to number four or five divisions, in the Han River area of north central Hupeh, northwest from a line between Sinyang and Anlu. The operation was evidently made to clear the Tahung
and

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and Tapiéh mountain ranges of a concentration of Chinese forces claimed by the Japanese to have amounted to twenty-six divisions. Three main drives were made to encircle the Chinese army; one up the Han River; one west from Sinyang on the Peiping-Hankow Railway; and another driving northwest between the first two. These three columns were reported to have converged by the middle of the month near Sisintsi in the plains north of the Tapiéh Mountains. Operations were then continued in rounding up Chinese units in the area that had been encircled and in the capturing of the towns of Tsaoyang and Suihsien. Although the Japanese claimed that the Chinese forces had suffered some 15,000 casualties, it appeared that the main bodies of the Chinese troops managed to escape through the Japanese cordon to the west.

Further fighting was reported to have occurred in northern, central and southern Shansi and to have continued throughout the month. In the Wutaishan Mountains in central Shansi, an operation was reportedly taken against an estimated 30,000 Chinese troops, but little was revealed as to the result of this campaign; in southern Shansi various campaigns were launched which apparently by the end of the month had still not succeeded in clearing the region of Chinese troops.

Further fighting against regular Chinese forces reportedly occurred south and west of Hankow and around Nanchang, while encounters with guerrilla forces were reported in many sections of the occupied territory, particularly in Shantung, Kiangsu, and Hopai provinces.

Japanese

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Japanese aerial operations were very intensively carried on during the month and besides attacks made on Chinese troops concentrations and routes of communication, frequent and large-scale raids were made, apparently for demoralizing and terrorizing purposes, on coastal and interior cities of China. Some half-dozen raids were made on Chungking in mass flights. It was reported that over 1,000 Japanese planes made more than 250 raids in the first fifteen days of the month, during which over 250 tons of bombs were dropped. It was also announced by the navy spokesman that the Japanese fighting forces would not desist from carrying on the air raids in China until the Chiang Kai-shek régime was destroyed.

3. General Relations.

Several reports appeared in Japan of rumors that a movement for peace in China was gaining strength and the reported efforts of Wang Ching Wei to this end were given much prominence in the local newspapers. In this connection the statement was again reiterated that only through direct negotiation could a conclusion of the hostilities be reached and that Japan would brook no interference or mediation by third Powers.

In regard to Japan's financial and economic relations with the occupied area of China, some uneasiness was apparently felt in this country over the slow progress made in carrying out her programs in these fields. The Finance Minister issued a statement on May 24 to reassure the country that the new North China currency was sound and stated that the depreciated value of the Federal Reserve banknotes as against the **old** Chinese currency was only temporary and would be remedied

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

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remedied as time went on. The Japan Chamber of Commerce at the beginning of the month presented a memorial to the government urging that a revision of the China tariff schedule be made to facilitate the exchange of goods between Japan and China and also urging that the new currency in China be put on a sound basis. It was also announced at the end of the month that the government was believed to be contemplating the taking of strong measures to control and develop Japanese trade with China, and that by extending the export control system over all North China trade it would be able to eliminate Chinese national currency from North China on the one hand and to replenish the foreign exchange funds of the Federal Reserve Bank on the other.

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Report concerning -, for month of June, 1939.

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For the original paper from which reference is taken

See despatch # 107 to Embassy
(Despatch, telegram, instruction, letter, etc.)

Dated July 5, 1939 From Tsinan (Hawthorne)
To

File No. 893.00 P.R. Tsinan/118

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15291

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

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a. Japanese policy in Shantung.

Last November an important Japanese official connected with the de facto Provincial Government outlined Japanese policy in Shantung as follows:

"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 expense, but they estimate that it will take two years to gain actual control of the whole province."¹

That this policy has not borne the expected fruit is indicated by Japanese failure to make any particular progress in extending the influence of the puppet regime or to obtain the anticipated revenue through taxation,² and by the intensification of Chinese resistance in April which continued unrelaxed through May, thus forcing the Japanese greatly to augment their military forces in the Shantung area.

The same official is frank in expressing concern over the situation which he admits has not developed in accordance with Japanese plans. He states that increased military

forces

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1. See Consulate's telegram no. 4, November 20, 9 a.m.
 2. See Consulate's despatch to Embassy no. 66, April 20, 1939, file 851.

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forces have been brought to Shantung in an effort to complete the "pacification" of the province before the kaoliang and other tall crops are high enough to afford natural cover for the "bandits." The Japanese also fear that short food crops this year due to the drought may aggravate the situation and render the Japanese task even more difficult.

One Japanese official, who is apparently a great admirer of Lincoln, in a recent conversation with the writer, drew a parallel between Lincoln's emancipation of the slaves in the United States and Japan's mission in China.

b. Military situation.¹

The long-anticipated Japanese drive against Chinese military-guerrilla concentrations in southern Shantung, estimated by Domei to aggregate 86,800 armed men, was finally launched on June 3rd, reinforcements estimated by foreign observers as being nearer 100,000 than 25,000, as previously reported, having arrived in this province. Japanese troops from along the Tsingtao-Tsinan Railway and garrisons at Yenchow (兗州) and T'anch'eng (鄭城), Shantung, and Hsinanohen (新安鎮), Kiangsu, began converging on the Mengyin-Ichowfu area on that date.

The Japanese claimed the capture of Mengyin on June 8th, after two days' fighting, and the capture of Ishui and Chuhsien on June 9th. It is likewise claimed that one important official and three councilors of the legitimate Provincial Government were killed when Japanese bombers raided Tunglitien (its temporary seat) on June 8th. However, that the "important official" referred to was not

the

1. See Consulate's telegrams nos. 31, 32, 33, 34, 37, 38 and 41, and despatch to Embassy no. 93, file 800.

- 6 -

the legitimate Governor, Admiral Shen Hung-lich, is proven by a Japanese announcement carried in the local press of June 30th to the effect that "the various Japanese army units are tightening their offensive operations in an attempt to capture Shen Hung-lich alive."

Further Japanese claims include the capture of Hung Ying (紅凝), 30 miles northeast of Chuhsien, where the headquarters of General Miao Cheng-liu (繆激流), commanding the 11th and 112th Divisions of the 57th Army, had been temporarily established, on June 24th, and that Fang Hsu-hung (方叔洪), commanding the 114th Division of the 51st Army, was killed in an engagement on the same date.

According to a Japanese naval spokesman in Shanghai, the Japanese navy participated in the Shantung offensive. In this connection, the following was carried in the June 16th edition of THE NORTH CHINA DAILY NEWS:

"Japanese bluejackets were landed at Shihkiuso, strategically important port along the south-eastern coast of Shantung at dawn on Tuesday (June 13) ...

"The landing, effected under the cover of an aerial bombardment, was carried out in keeping with the progress of the mopping-up operations being conducted in that area by Japanese army forces.

"Large quantities of arms and ammunition..... were seized at Shihkiuso by the Japanese landing party.

"On Monday and Tuesday (June 12 and 13) Naval aircraft bombed and machine-gunned Chinese positions and troops near Jiheao and Shihkiuso in Shantung. Several villages used as bases for Chinese remnants in those districts were set on fire by the Bombings....."

From June 3rd to June 29th, according to a statement issued for publication by the Japanese military authorities, the Japanese army fought in southern Shantung (always successfully, of course) 128 engagements, during which 7,540

of

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

- 7 -

of the enemy were killed, 426 prisoners taken and large quantities of arms, ammunition and other equipment captured. It was alleged that the four divisions of the 51st and 57th Armies had been "crushingly defeated" and that these troops numbering about 40,000, dispersed into small bands, had taken refuge in the mountains. At the end of the month the Japanese forces claimed to be continuing to press these troops, alleged that such pressure, coupled with increasing difficulties being encountered in smuggling food supplies through the Japanese lines which partially encircle them, was causing defection and dissension in the Chinese ranks and that the successful conclusion of the Japanese campaign in southern Shantung was but a matter of time.

While information from Chinese sources was meager, such information as was available indicated that Chinese casualties have been small. Whereas at the beginning of the drive on southern Shantung observers predicted that Chinese tactics would be to make the Japanese pay as dearly as possible before retreating, possibly into Honan, the Chinese commanders apparently entertained no such intention. Instead they resorted to a bit of strategy which is probably unique and which has certainly not rendered any easier the Japanese task of "pacifying" southern Shantung. In the face of Japanese pressure the Chinese forces merely withdrew to the mountains without risking any large-scale engagements, where large military units were disbanded. This not only rendered impossible any important attack by the Japanese (since there were no large concentrations left to attack), but will give free rein to guerrilla activities and permit of possible reorganization when Japanese military pressure is relaxed.

Therefore

- 8 -

Therefore, it is this office's opinion, based on such information as is available, that notwithstanding the apparent military progress of the Japanese in southern Shantung, the number of armed Chinese in that region had not been materially reduced at the end of the month under review.

Heavy fighting between a part of the Chinese 4th Division, commanded by Ho Sau-yuan (何思源), former Commissioner of Education for Shantung, and Japanese troops is reported to have occurred on the border of Chanhwa and Hweimin hsien in northeastern Shantung on June 2nd and 3rd. The fact that informant, a Chinese traveler from that district, was frank in stating that Chinese casualties totaled 700 to 800 lends credence to the report.

A considerable Japanese military force was understood to have been concentrated at Tehchow, on the northern Shantung border, early in June, but this was believed to have been in preparation for offensive action in Hopoh Province.

c. Guerrilla activities.

While the strengthening of Japanese garrisons along the railways and the reoccupation (in some cases for the third or fourth time) of certain cities in northeastern Shantung which the Japanese had been obliged to evacuate in April,¹ reduced guerrilla activities, as compared with April and May, such activities did not cease.

About 200 guerrillas attempted to raid Wang She Jen Chwang, 10 miles east of Tsinan on the Kiaotsi Railway, on June 19th, probably with the primary intention of cap-

turing

1. See Consulate's telegram no. 18, April 24, 1 p.m., paragraph 2.

- 9 -

turing the puppet magistrate who, however, was absent in Tsinan. They succeeded in making captives of ten members of the pro-Japanese militia before being driven off by the Japanese garrison.

Reports of guerrilla activities elsewhere in the district were lacking, but the frequent arrival in Tsinan during June of small groups of Japanese wounded is considered proof of the continuance of guerrilla operations.

d. People fear Japanese reprisals.

Following the strengthening of the local Japanese garrison as a result of the Chinese attack on this city in May, many sections of the countryside in the vicinity of Tsinan are virtually deserted, the populace apparently fearing Japanese reprisals. It will be recalled (See Consulate's telegram no. 8, February 17, 1 p.m.) that the Japanese army had previously proclaimed its intention to slaughter all male inhabitants between the ages of 12 and 40 of villages found to be harboring guerrillas.

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Report concerning -, for month of
 June, 1939.

22

793.94/15292

For the original paper from which reference is taken

See despatch # 4043
 (Despatch, telegram, instruction, letter, etc.)

Dated July 18, 1939 From Japan (Dooman)
 To

File No. 894.00 P.R. /139

15292 -

(c) China.

1. Military Operations.**

743.94
The principal military operations during the month under review were directed towards the tightening of the blockade of China by the seizing of South China ports. On June 21, Swatow, which after the fall of Canton had become the most important base of supplies of the Chinese Government in South China, was captured by a joint Army and Navy attack. The capture was effected in a day and a half's time with little resistance reportedly being made by the defending Chinese forces. The city reportedly had been evacuated of a large part of its population and much in the way of public utilities and transportation facilities there were claimed to have been destroyed

before

Embassy's despatch no. 3992, June 22, 1939.

* Prepared with the assistance of the Office of the Military Attaché.

-22-

before the Chinese withdrew. After the fall of Swatow the Japanese forces in three columns moved on Chaochow, a communication center some miles up the Han River from Swatow. Stiff resistance was encountered there and the town was not captured until June 27. Little surprise was occasioned by the fall of Swatow, as its seizure by the Japanese had been anticipated for some time.

On June 23 Japanese marines landed and occupied Chushan and Taishan islands in the mouth of Hangchow Bay, thus gaining control of Ningpo and its port Chinhai, through which a considerable amount of foreign trade had been flowing into and from the hinterland. Marines also landed on June 26 on the islands leading to the Bay on which Wenchow is situated and reportedly have effectually stopped the passage of goods both in and out of that port. On the same day islands lying in the mouth of the Min River 18 miles downstream from Foochow were also occupied by Japanese marines. The Japanese notified the powers that traffic would not be permitted with Foochow after the first of July.

Some rather large scale operations were also reported to have occurred in Shensi and in Shantung. The operations in Shensi were in the southern part of that province against 30,000 Chinese troops remaining in the Chungtao Mountain range. By the end of the month the Japanese claimed to have defeated and rounded up the Chinese troops. The campaign in Shantung was reportedly against some 100,000 troops which were operating in the area east of the Tientsin-Pukow Railway and north of the Lunghai Railway. The Japanese claimed to have split the Chinese forces into three groups by the first of July and to have destroyed their effective opposition, pressing the remnants of the troops into the Yunmeng Mountains. At the same time the

Japanese

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

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Japanese forces were said to have captured most of the important villages and towns in that area and to have stopped up the remaining gaps in the coastal blockade north and east of Haichow.

Sporadic operations against guerrillas were reported to have occurred in many areas of the occupied territory, but these were claimed to have been of a less important nature than those which had been carried on in previous months. Except for heavy bombing of the coastal cities of South China in connection with the military and naval operations there, the Japanese air force appeared to have remained relatively inactive during the month. However, several severe raids were made again on Chungking and a raid also made as far west as Chengtu.

2. General Affairs.

A good deal of concern apparently was felt in financial circles in Japan in regard to the fall in the value of the Chinese national currency that occurred on June 8. There were many rumors in Japan in regard to the reasons for the Hong Kong and Shanghai Banking Corporation in Shanghai suddenly announcing suspension of inter-bank selling of pounds at the rate of 8 1/4 d. at which it had been pegged since the Anglo-Chinese exchange fund had been established in March of this year. However, according to the local press two reasons were assigned for this action. The first was that the ten million pound yuan stabilization fund had been severely drained since its establishment and that it was felt that Great Britain had decided that it was impossible to maintain the Chinese dollar at the fixed rate; the second was that it was the British design to make it difficult for Japan to acquire foreign exchange through the Chinese currency, and that the maneuver had been made to catch short the Japanese commercial firms and the Hua Hsing Commercial Bank, which had obtained considerable sums of Chinese currency with which to purchase foreign exchange.

No developments occurred apparently in regard to the much-

heralded

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heralded establishment of some sort of central régime for the occupied territories of China, although some attention in this connection was given to Wang Ching-wei who evidently is beginning to be looked upon as a figure around whom possibly a new Government could be set up.

It was announced at the end of the month that Mr. Sotomatsu Kato, former Counselor of the Japanese Embassy at Hsinking, had been determined upon as the new Minister-at-large to China.

CROSS-REFERENCE FILE

NOTE

SUBJECT

The situation in the Far East: Chinese-Japanese conflict.

Review of past week.

For the original paper from which reference is taken

See Memorandum

(Despatch, telegram, instruction, letter, etc.)

Dated Aug 3, 1939

From |
To |

State Department
Far Eastern Division
(Salisbury)

File No. 890.00/156

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

April 11, 1933.

MMH:

Geneva's despatch No. 528
Political of February 27, 1933,
reports that copies of the
draft report of the Committee of
Nineteen were forwarded to all
diplomatic missions. A copy
is enclosed.

LM
LES:CLS

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

KEY PITTMAN, NEV., CHAIRMAN
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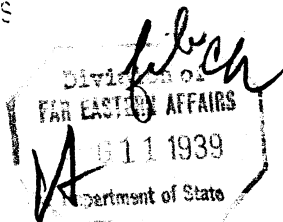
United States Senate

COMMITTEE ON FOREIGN RELATIONS

1939 AUG 11 AM 9 37

Washington, D. C.,
August 10, 1939.

DIVISION OF
COMMUNICATIONS
AND RECORDS



My dear Mr. Secretary:

I have the honor to acknowledge the receipt of your communication of July 29th, enclosing telegraphic message from twenty-two organizations of the Chinese people. Permit me to express my appreciation.

Sincerely,

793.94/15294

AUG 11 1939

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F/FG

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Report concerning -, for month of June, 1939.

aa

For the original paper from which reference is taken

See despatch # 66 to Embassy.
(Despatch, telegram, instruction, letter, etc.)

Dated July 8, 1939 From Chefoo (Roberts)
To

File No. 893.00 P.R. Chefoo/147

793.94 / 15295

15295

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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

1. Japan.

(1) Military Situation.

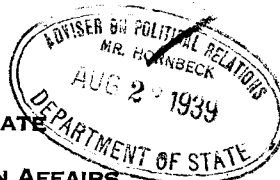
793.94

The Japanese continued their regular expeditions by motor truck into the interior of Shantung without being able to pacify the province. Reports of engagements between the Chinese guerrillas and the Japanese and of the bombing of villages by Japanese planes were received at Chefoo. It was evident that the Chinese guerrillas entrenched in the mountains are resisting the Japanese attempt to enforce control over the countryside. The most disturbed area was in the vicinity of Laiyang and Chihai about halfway between Tsingtao and Chefoo. An American missionary at Laiyang reported considerable damage to the city by air raids. The Japanese with mercenary troops occupied the city two days and then were forced to retreat.

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS



August 18, 1939.

Tsinan's despatch no. 111 of July 10 reports that there has been considerable banditry as well as guerrilla warfare in western Shantung; that, in retaliation for a guerrilla victory over a Japanese force, the Japanese butchered all the remaining inhabitants of a nearby village (apparently innocent), horribly mutilating most of them; that a Spanish priest who remonstrated with the Japanese commander concerning such "inhuman atrocities" was answered with talk of Japan's mission in China; that Japanese morale and discipline are poor, with resultant debauchery and cruelties which are "not likely to win the confidence and friendship" of the Chinese; that guerrillas and "puppet" forces in collusion with them inflict constant losses on small Japanese detachments in the interior; that the Japanese are openly trying to induce Chinese Christians to sever relations with missions; and that a Japanese colonel told a German that "foreigners must all go, but nationals of the axis powers will be the last to go".

793.94/15296

FE:Chase:JPS

*This is an illuminating
and very interesting
dispatch and, in my
opinion, is worth
reading in its entirety*
hjd

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

No. 111.

AMERICAN CONSULATE,

Tainan, China, July 10, 1939.

SUBJECT: DEVELOPMENTS IN THE INTERIOR
OF SHANTUNG.

RECEIVED
DEPARTMENT OF STATE

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to quote the following from a
letter addressed to this office on July 3, 1939, by
an American missionary in Tungchang (Liaochang), Shan-
tung:

"locally, everything has been so peaceful
there has been nothing to report. However, even
that fact is quite worthy of notice in these days.
There are, of course, many bandits all through the
country, working singly and in small groups, who
constantly prey upon Chinese travelers, and not
infrequently they carry off one of the Chinese
whom they suspect of having money they can worm
out of him one way or another for ransom. Several
such cases have occurred right on this street.
Through it all we have been going right along peace-
fully with our work, our preachers going all through
the country. Also at some little distance from
Tungchang, say 20 li or more, there have frequently
been engagements between the Japanese soldiers and
the regulars or irregulars, whichever they may have
been. We get frequent reports, -rumors, doubtless,
of large numbers of Chinese regular soldiers being
in this general section, but not in our immediate
district."

The Consulate has today been verbally informed by
another American missionary from that district that in one
of the "engagements between Japanese soldiers and the regu-
lars or irregulars", mentioned above, the Japanese lost 80

men

1. See Consulate's despatch No. 108 of July 6, 1939, file 800.

DEPARTMENT OF STATE
ASSISTANT SECRETARY
AUG 10 1939
A.M./J.C.

793.94/15296

F/F/G

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

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men and 2 officers, while inflicting only about 20 casualties upon the opposing Chinese. This occurred during the first week of June at a village called Chiao-chuang (焦莊), about 17 miles west of Yuch'eng on the Tsinpu line. This engagement lasted all day and the Chinese only withdrew when darkness fell. The Japanese forces entered Chiao-chuang the following day and slaughtered all remaining inhabitants, men, women and children, except one child, presumably because the villagers had "harbored the enemy", whose presence they could not possibly have prevented. A total of 90 people, including 13 Christians, were butchered, and most of them were horribly mutilated by burning with gasoline, bayoneting, etc. The boy who escaped was hidden by the corpses of his family and friends, and hence avoided detection. He was subsequently found by a Spanish priest in a state of mental derangement and the Catholic Mission is endeavoring to nurse him back to health. The Spanish priest later remonstrated with the Japanese Commander concerning the inhuman atrocities above-described, pointing out that surely women and babies in arms could not be considered combatants. The Japanese officer, of course, denied that the massacre at Chiao-chuang had ever taken place, and was astounded when the priest informed him that he had been there, buried the Christian dead and rescued the only survivor. Subsequently the Commander, accompanied by other officers and an armed detachment of troops, paid a call on the priest at Yuch'eng who, at the time, had an American and a German priest visiting him. The Commander stated that he had called to impress upon them Japan's real ideal in China, which was to eradicate Communism and all other bad influences (which presumably include Christianity). After asking dozens of questions

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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 officers eventually took their leave, after being photographed for propaganda purposes in and about the mission compound with their "friendly hosts", the three priests.

Informant reports Japanese morale is not of the highest, and that troops, particularly when off duty and under the influence of drink, are often heard to express longing hopes for an early return to their wives and families in Japan. As regards conduct and discipline, the Chinese naturally resent having their women folk raped or intimidated into satisfying the lusts of the Japanese soldiery. These and other unnecessary indignities and cruelties to which the Chinese people are being daily subjected by the Japanese military certainly do not constitute the kind of treatment likely to win their confidence and friendship.

Small Japanese detachments in the interior live in constant fear of their lives. Even the most trusted Chinese proteges of the Japanese (called *erh kuei tze* 二鬼子 or second devils by the natives, the Japanese being the first) are in most cases in contact with the guerrillas, who know every move of the Japanese and when and where a successful attack can be made.

In the Chowtsun district recently an itinerant (or circuit) priest of American nationality, was, the Consulate has been unofficially informed, ordered by the Japanese military to return to Chowtsun, and to advise his colleagues to discontinue further visits to the Catholic chapels in the district, one of which has recently been destroyed. It is understood that the Catholic Mission in Chowtsun has taken this matter up with the Japanese Consular official at Changtien,

and

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

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and will only bring it to this office's attention after efforts to obtain results locally have failed.

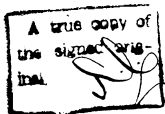
The Japanese military at various interior points are openly endeavoring to dissuade the Chinese from associating themselves with the Christian missions (or the Ta Bi Tze Chiao 大鼻子教 Big Nosed Religion). as a part of their program for the establishment of the much-advertised "new order in East Asia", and that they definitely resent the presence of any and all foreigners there can be no doubt.¹ In this connection a Japanese Colonel recently told a German priest in reply to a question as to what the position of foreigners would be in China upon the completion of the present Japanese program, that "foreigners must all go, but nationals of the axis powers will be the last to go."

Respectfully yours,

Carl O. Hawthorne,
American Vice Consul.

800
COH/KCC

Original to Embassy, Peiping,
5 copies to Department,
Copy to Embassy, Chungking,
Copy to Embassy, Tokyo,
Copy to Consulate General, Tientsin,
Copy to Consulate, Tsingtao.



1. See Consulate's despatch no. 101, June 24, 1939, file 310.

DECLASSIFIED: E.O. 11652, 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. 113.

AMERICAN CONSULATE,
Tainan, China, July 10, 1939.

SUBJECT: MILITARY SITUATION IN WESTERN
SHANTUNG.

The Honorable
Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

In continuation of the Consulate's despatch no.
108 of July 8, 1939, file 800, I have the honor to
report that a Japanese military announcement carried
in the local vernacular press today states that Japan-
ese forces occupied Showchang (壽張) and Yangku
(陽穀) on July 5th, Fanhsien (范縣) on July
6th and Puchow (濮州) on July 7th. The Japanese
admit that considerable resistance was offered in the
Showchang-Fanhsien area by troops under Feng Shou-peng
(馮壽彭), Commissioner of the First Special Adminis-
trative Area, but, as usual, claim to have "crushingly
defeated" them.

As will be observed by reference to a map of this
province, the occupation of the above-named towns in
western Shantung, as claimed by the Japanese, would es-
tablish the Japanese lines in that sector on a parallel
with and some 10 miles from the Chinese troop concentra-
tions in the Sinhsien-Chaoch'eng-Kwanch'eng area (as

reported

793.94/15297

DECLASSIFIED: E.O. 11652, 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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reported in the Consulate's despatch no. 108), and the capture of those places will doubtless be the next Japanese objective.

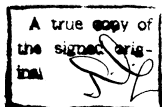
Tungchang (Liaocheng), about 15 miles northeast of Sinhsien, is known to have been under Japanese occupation for several months.

Respectfully yours,

Carl O. Hawthorne,
American Vice Consul.

800
COH:KCC/KCC

Original to Embassy, Peiping,
5 copies to Department,
Copies to Embassies, Chungking and Tokyo,
Copies to Consular offices, Tientsin and Tsingtao.



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

CABLE - TIDINGS - WINONALAKE

GENERAL MISSIONARY BOARD

OF THE FREE METHODIST CHURCH
OF NORTH AMERICA

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WINONA LAKE, INDIANA

August 8, 1939

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To the Honorable Cordell Hull,
Secretary of State of the U.S.,
Washington, D. C.

My dear Sir:

This is a confidential letter which has come to us from one of our missionaries in Honan Province, China. You understand, our missionaries are not complaining in the least of their treatment in China. They are happy to be there to serve these people who are undergoing such tremendous suffering these days. The purpose of the letter is only to give us here in America an inside view of some of the things that are happening in one spot in China. This letter was sent out through a friend coming to America. It is not for publication, nor do we wish you to take any action whatsoever in regard to any of these matters. Of course most of these are atrocities against the Chinese and not against the missionaries.

We are rather concerned these days, however, as to whether it is going to be necessary for the American missionaries to flee from Japanese occupied territory in China. Five of our British missionaries have already left their work and gone to the Coast. These missionaries were at Kaifeng, Honan Province.

We beg to remain,

Most respectfully yours,

General Missionary Secretary.

J/c

793.94/15298

F/FG

(Confidential)

Kihnsien, Honan, China
April 19, 1939

Rev. H. F. Johnson
Winona Lake, Indiana, U.S.A.

Dear Brother Johnson:

We are writing letters hoping to send them by Miss Jones, but we are not sure she will be able to get through at this time. Much of the time so many things are happening that we don't dare to write of, and that makes it hard to write. People at Home ought to know some of the things that are going on over here, and I wonder if it might not be all right to put some things in our church papers without giving our names. Of course you would need to use your judgment, but certainly the Christian world needs to know the truth.

Kihnsien had an awful six weeks last summer, during that first occupation by the Japanese. Japanese men ran the streets, naked or with just a breech clout, went over the yard walls into people's homes day and night, and raped the women everywhere. Those babies are being born around us now, and one woman is here at the hospital now for us to care for. Most of these babies are not allowed to live, but we are trying to show them the Christian attitude in such things. Oh, that we had an orphanage to which these could be sent!

Right here in Kihnsien last summer, the Japanese burned their own seriously wounded alive. There were those who saw it over the wall, and the poor fellows wept and begged, but were shown no mercy. Of course they cremate anyhow, but these were thrown in alive. The stench of burning flesh was terrible.

When the Japanese made all Kihnsien people leave the city, on pretext that they feared they'd be drowned by the rising Yellow River floods, our folks had to leave too. Brother Ashcraft escorted several different groups of Christians and refugees outside the city, but from one such group the naked guards at the city gate grabbed a fine Christian young woman into their guard house, and Brother Ashcraft was unable to do a thing about it. He was roughly handled trying to get her, but came back to the Mission and sat down and wept over the whole thing. It was about five o'clock in the evening when the Japanese came and fairly drove the last of them out. They locked their houses and the yard gates and left, expecting that they would never see any of their stuff again. The gateman's wife was sick, and he had to carry her on his back, they piled some bedding on the one ricksha available, and walked through rain and mud. They made it to a village just outside the second city wall, and stayed there all night. The village was deserted and they went into the empty houses and stayed there in the dark all night, with the Japanese military autos going by every little bit all night. Brother Ashcraft had taken his cow along, and it kept all of them busy trying to keep her quiet so she wouldn't give their whereabouts away. They were not discovered and the next day they plodded on through rain and mud to Hankong, an outstation about 12 miles away.

Brother Ashcraft was shoeless by the time he got there, and some of the Chinese women got busy and made him a pair of cloth shoes as soon as possible. They couldn't go on to Kaifeng because of floods, and Brother Ashcraft got out and led the country side in building dikes to keep the water from flooding Hankong. After two days a couple of the Christian men ventured back to see how Kihnsien was, and found the Japanese had deserted it. They now think the Japanese made them leave so they could retreat unmolested. Anyhow, our folks came back a sorry bunch, but so rejoiced to find the houses still standing and most of their things untouched. It was really remarkable, and they felt it was just the goodness of the Lord. They will never get through talking of that exodus and the things they went through at that time.

The city was under the control of the Chinese from that time until in December, when just six days after my arrival here there was a battle and the Japanese again

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took Kih sien. We had about 5000 people who fled to our compounds for protection and who stayed here for some days. It was snowing hard the night of the battle and the next day, and the snow stayed on for many days. There was real suffering, as they could not all get inside of buildings, and those who could get in sat all over the floors for several nights as there was not room enough to lie down. At that they were glad to be here. We were busy those days trying to get some food for them, and doing what we could. One crowd after another of Japanese soldiers poured into our yard to search the premises. We went around with them, and were able to protect our folks from harm. Outside it was very different. Women were raped, roughly handled, men and especially students, were bayoneted. It was a real danger to be caught with a fountain pen, a flashlight or good clothes. Anyone who looked like they might have some education was thrust through. Oh the sorrow and trouble on every side. They used bricks to bash in the brains of the wounded Chinese soldiers here. They said they weren't worth ammunition. Dead lay on the streets for several days, as no one was allowed to bury them. Dogs ate them. Finally Mr. Winslow and the pastor were able to get permission to bury some of them and did so.

We have had 150 to 200 young women and girls here at the Hospital Compound all this time, and they have more than that at the other compound. These young women are not safe to go home. When any of our folks, either men or women have to go through the city gate we go escort them through. The Japanese guards seem to take delight in humiliating them. They beat and insult them for no provocation at all. Two different preachers at other places (ours) have been badly beaten and kicked and they give no reason for it.

For the last three weeks or so they have been trying again to take Chengchow, and our folks have written of terrible bombings, and disaster there. About a week ago the Chinese made an attack on Kaifeng, and killed some Japanese and wounded and carried off others. The Japanese holed up in the city, and things have been pretty tense. There was fighting for three days off and on, but Japanese reinforcements arrived and the Chinese have retreated. They lack the equipment, autoes, big guns, airplanes. The country is full of Chinese soldiers in great numbers only a few miles out in the country. We don't know just what is going on at present, but our city is filling up with Japanese soldiers. There are several hundred here, and many autoes and plenty of cannon and ammunition. Some think that they expect further drive on Kaifeng and are concentrating here to check the advance. Today I have been kept busy meeting Japanese soldiers and escorting them around. They are roaming around the city, doing as they please, eating where they please, taking what they want, etc. I have served tea to those who have come today, and given them Christian literature, and they have been friendly and have gone off quietly. It might be quite different if I were not here to receive them. I have been out in the country most of the time for the last six weeks, but am unable to leave here to go now. Miss Leininger and Mrs. Winslow are unable to look after this compound when things are happening for they are needed at their own place.

The last we heard our folks at Kaifeng were all right. Mrs. Schaffer and Mrs. Schlosser arrived just ahead of this last trouble and left with a party of missionaries for Chengchow. It seemed like a serious time for them to try to get there, but we are hoping they have made it safely. Mrs. Schlosser needed to get to Jungtseh so Miss Jones could leave for furlough, and Mrs. Schaffer hoped her going might make it possible for Brother Ashcraft to get to Kaifeng to Conference. We are supposed to start our Mission meeting next week, the 27th, and Conference the 2nd of May. We still may not be able to have it, but are still hoping things may quiet down enough to have it. We are sure that many will not be able to get there, but perhaps some can, and can make preparations for the work for this next year. Even if things loosen up I am expecting to stay by things here and miss the Conference. Some one will have to stay by if the Japanese are still here, and we have no reason to think they won't be.

About two weeks ago, I was in a ricksha going to Fuchi, an outstation south of here, when 60 big Japanese Military autoes passed us also going south. All had big cannon on them and some had tanks. Our rickshas stood on the side of the road, and

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They passed without stopping or harming us. They hadn't gone long until we saw smoke from two burning villages ahead. Afterward we heard that most of the houses in those villages were burned, and they threw people into the flames, and killed many. They carried off Chinese girls on the autoes as they returned to Kaifeng. We didn't know whether to keep going or to return, but kept going on, trusting the Lord to direct us. Then a battle started up that last for perhaps an hour, with plenty of cannon and very near to us. We stopped in a village until it was over and then went on. We hadn't gone far until the autoes passed us returning. They had passed through FuChi but had not stopped there. Evidently the battle was onesided as we heard there was no return fire, but that the Japanese just stopped and fired their guns around the country side to scare the people.

The Japanese have put on anti-English demonstrations recently because of Chamberlain's speech, and they say it won't be long until all English will have to leave China. At T'ai Kang, a C.I.M. station, they told the missionaries that they (the Japanese) had a right to come to China, that they were returning to their old home, but that all other foreigners were outsiders and had no right here. Right on our Mission Compound here, Japanese soldiers have talked to our Christian men, that it would not be long until Germany, Italy and Japan would control the whole world.

The Japanese are trying to make everyone use their money, that they have printed here in China. There is nothing back of it, but they just print all they want and make the people use it. They are trying to discount the Chinese dollar 40 percent, but they can't make it work here yet. We would all rather have Chinese money, but once in a while we have to take a Japanese dollar. If they find out anyone who refuses their money it doesn't go well with that person. The latest is that the Japanese soldiers here are offering to buy up the people's Japanese money for Chinese dollars, and the Chinese dollars they are passing off on the people are counterfeit. We have been having trouble getting counterfeit money lately all right, and they think that it is all coming from the Japanese. If the Japanese buy with counterfeit money no one can refuse them anyhow. They'll take what they want anyhow, and you still don't have any money.

Well, there's just too much to tell it all, but they are a long way from having control of the country. The country is alive with soldiers and gorillas, and in many districts they are keeping good order. Some take advantage of unsettled times, to loot and plunder, but on the whole the country is in much better condition than the cities where the Japanese are. Where ever I have been out in the country things are much more prosperous than here. Everyone has left Kih sien that can get away, and the stores are all cleaned out and don't dare to try to open. I never saw Kih sien so dead. ?

I have written this letter piecemeal between escorting Japanese soldiers around the place, and know I have made many mistakes. Since we are sending a man to walk to Kaifeng tomorrow to inquire how our folks are and to take letters, I want to send this along to send if there is an opportunity, therefore cannot take time to rewrite. I would be glad if a corrected copy of this could be sent to the China missionaries on furlough, and to my parents.

I would like to add my testimony to tell you how glad I am to be here to do my part these days. There is peace and quiet in my soul, and I am so glad for the open doors we have on every side. We have had fine revivals at all the outstations, except one, and the District Elder, and Bible Woman have gone there to hold a meeting now. I have been with them at the other places, but had to drop out now because of conditions. We have had wonderful meetings at all these places, with hundreds of people seeking the Lord. Here at Kih sien we had the spring revival with over 1000 in attendance, and with many saved and sanctified. For two months the attendance has not dropped below 1000, and many times it has been above 1200 by actual count. We don't know what to do with the people and still they come. Miss Leininger is putting up a couple of rooms for Sunday School and Class Meeting rooms, but we need more than that. We are hoping and planning to build an addition onto the church. It was en-

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larged once, and can't be enlarged again except to build an L on one side for the overflow of women. We'd like very much to do this yet this spring. Building materials are very cheap, as so many buildings have fallen or been blown to pieces, and the people come selling brick, tile, building timbers, etc. to get money to live on. We'll never be able to get materials as cheap again, and at the same time it helps the poor people if we can buy from them. I have bought a little here at the hospital and wish I had money to buy more. After wheat harvest the prices may go up some. It looks as though there is going to be a good wheat crop again this year, for which we praise the Lord.

Later in the evening--

The Chinese have just been in talking with me about the situation. Quite a number of women and children from around us have come in to stay all night as they are afraid to stay home. Last night quite a number of homes were broken into and they are afraid they might be the victims tonight. One woman said they went into her home today, and broke the locks off her trunks and took what they wanted of her bedding, and such things, and destroyed others. They helped themselves to her food supplies, and were cooking and eating and living in her home, so she fled here and left everything to their mercy. Another woman told how they smashed her valuable vases that have been in her home for many generations. Some were worth \$200, but they broke them.

They say the Chinese armies are only 10 miles south of Kaifeng, and that they are preparing for a major conflict to take Kaifeng. They think the Japanese are preparing this place as a place of retreat in case of need. They are bringing in grain and flour and other supplies, and settling down in great numbers. Tonight they say that Chinese soldiers are only 3 miles south of here. We don't know what it is all about, but we live a day at a time, in His keeping. After all we are safe no place except as we are in His care. It is remarkable how normally things go on in spite of all the reports and goings on. Keep praying for us. Please remember me to the Gaddises, your wife, Mabel Cook, and others.

Yours in the Master's service,

Geneva Sayre -

This letter was received by the Missionary Secretary on the 22nd of July.

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

August 18 1939

In reply refer to
 FE 793.94/15298

My dear Mr. Johnson:

The receipt is acknowledged of your letter of August 8, 1939, with which you enclose a copy of a letter dated April 19, 1939, from Miss Geneva Sayre, one of your Board's missionaries in Honan, China, relating distressing events and experiences witnessed and suffered in connection with the occupation of areas in Honan by Japanese military forces.

The contents of Miss Sayre's letter have received careful and sympathetic attention, and your courtesy in making the information available to the Department is appreciated. It is noted that the Board desires that the information be treated as confidential and that no action be taken with regard to the matters reported.

In regard to the Board's concern as to whether it
 might

The Reverend
 Harry F. Johnson,
 General Missionary Secretary,
 General Missionary Board of the
 Free Methodist Church of North America,
 Winona Lake, Indiana.

793.94/15298

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

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might become necessary for American missionaries to withdraw from areas of China under Japanese control, it may be observed that, while anti-foreign agitation has been increasing in some sections of such areas, especially in Shansi, Honan and southern Hopei, and while we are not in position to venture any prediction of the future course of events, information now available to the Department does not give grounds for immediate anxiety concerning the safety of Americans in general residing in territory of China under Japanese control.

Following the outbreak of strong anti-British agitation at Kaifeng and other points in China, American diplomatic and consular offices took prompt action with a view to forestalling possible development of a similar campaign against Americans. The Japanese authorities, on the basis of investigations made at the request of the American Embassies at Tokyo and Peiping, have given assurances that Americans at Kaifeng are safe and unmolested; and telegrams received within the past few days from American missionaries at Kaifeng are to the same effect.

You may be assured that we are vigilantly following the situation to which you refer and that in the very difficult circumstances which confront us in the Far East

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

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we are continuing to exert our best efforts toward
 obtaining respect for American lives, rights and interests.

Sincerely yours,

For the Secretary of State:

JWB

Joseph W. Ballantine
 Acting Chief,
 Division of Far Eastern Affairs

AUG 10 1972



FE:ASC:MHP

8/17/39

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 15, 1939.

~~OW~~
~~EXP~~
~~OK~~
~~LES~~ WAA

You may care to note the marked items in the Marine Intelligence Summaries for June, of which the most interesting appears to be the fact that "the Chinese seem to be revising their policy of letting their best troops withdraw before major engagements and are using these troops with telling effect".

The reports as a whole are distinctly favorable to the Chinese and indicate that, given munitions and money, the Chinese can be depended upon to deliver some "punch".

FE:Chase

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

NO. 2353

[Handwritten signature]

AMERICAN CONSULATE GENERAL,
Shanghai, China, July 15, 1939.

pca
file
WAG
12-18-75

Filing Information-Check		Yes	No
Serialized			
Indexed			
Filed			
In U.S.A.			

SUBJECT: Intelligence Summaries for June, 1939.

RECEIVED
DEPARTMENT OF STATE
JUL 11 11 51 AM '39

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

793.94/15299

I have the honor to refer to my despatch No. 2242/
1/ of June 5, 1939, and to enclose, as of possible interest
to the Department, copies of intelligence summaries for
the month of June, 1939, prepared by the Intelligence
Officer of the United States Fourth Marines.

ASSISTANT SECRETARY
OF STATE
JUL 17 1939

Respectfully yours,

[Signature]
C. E. Gauss
American Consul General

Enclosure:

1/- Intelligence Summaries for June, 1939.

800
JHP:JLM

Single copy
Copy to Embassy, Peiping
Copy to Embassy, Chungking

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AUG 21 1939

F/FG

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

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OSD letter, May 3, 1972
By Xg NARS Date 3/19/73

JSM/am

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA.

3 June, 1939.

RESTRICTED:

R-2 REPORT, PERIOD 0800 27 MAY, TO 0800 3 JUNE, 1939:

MILITARY OPERATIONS IN THE YANGTZE VALLEY:

In what started at the beginning of the week as sporadic fighting in the YCKOW-TIENMEN sector apparently developed by Wednesday into a severe engagement. The Japanese now control the disputed territory for 120 miles west of HANKOW. Since the Japanese are fighting to control the territory recently held by their 16th Division which was relieved on the 13th of May after having been trapped along the HAN River, it is assumed that their objectives are similar. These objectives were the capturing of ICHANG to prevent the Chinese from transporting supplies from their bases behind the YANGTZE GORGES into the lower YANGTZE VALLEY, and to prepare the way for a Japanese force to operate across the plains of Southern HONAN. This force by attacking from the rear would force the Chinese to abandon the heavily fortified positions south of the YELLOW River parallel to the LUNG-HAI railway which has held the Japanese at a stand-still since October 1937.

While not in the YANGTZE VALLEY the heaviest fighting for the past two weeks has taken place in Northern HUPEH where Japanese casualties are reported from HANKOW to be enormous. Third power estimates of Japanese casualties for this period are 4,900 in some thirty battles. This abortive Japanese drive in Northern HUPEH with it's heavy casualties perhaps substantiates the Chinese claim that the Japanese Army shows signs of deterioration.

Donn C. Hart
DONN C. HART
1st Lt. USMC

Asst. Regt'l Intelligence Officer.

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

JSM/am

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA.
10 June, 1939

RESTRICTED:

R-2 REPORT, PERIOD 0800 3 JUNE, TO 0800 10 JUNE, 1939:

MILITARY OPERATIONS:

The Japanese whose every effort to invade SHENSI has been repulsed, are now feverishly constructing bridges across the YELLOW RIVER at PAOTOW in SUIYUAN Province. The Japanese forces concentrated in this area aided by prisoners of war are constructing roads near PAOTOW to permit the passage of mechanized units into SHENSI and to facilitate supply. The difficulties facing the Japanese in any drive on SHENSI from the North included 200 kilometers of desert from PAOTOW to the GREAT WALL where there is neither food, water or vegetation. Then 500 kilometers of some of the highest mountain ranges in the world, home of the Chinese Communist Armies, before any probable military objective could be reached.

The main Japanese activity during the week has been an attempt to re-occupy the "occupied" territory. One such endeavor was the drive against the Chinese 57th Army under General MIAO CHENG-LIU who are entrenched in the vicinity of CHUHSIEN about 120 kilometers Southwest of TSINGTAO. The General is remembered for his defense of HAICHOW last April and since being defeated in KIANGSU concentrated his forces just over the LUNGHAI Railway in SHANTUNG. He was joined here by Admiral SHEN HUNG-LIEH former Mayor of TSINGTAO and present commander of the 69th Guerrilla Corps. Their present combined strength is estimated at about 100,000 men. From their Base at CHUHSIEN the Chinese forces have been very successful in destroying the Japanese agricultural plans in SHANTUNG. In most instances intimidating the farmer into planting just enough foodstuffs for his own immediate use and entirely forsaking such staples as cotton and wheat. Where farmers have ignored the warnings, they have been shot by the Chinese forces and the crops burned at maturity.

The present Japanese drive up the I RIVER to destroy this base will probably be successful but as in the past it is believed the costly campaign will net the Japanese nothing as the Chinese just change their bases and with their far greater mobility can easily avoid capture.

In SHANSI operations are in full swing with the Japanese driving the Chinese forces from CHUNGYANG and LINHI towards the YELLOW RIVER. The Japanese have a full division of 20,000 men deployed over a wide front from TAIYUAN to the YELLOW RIVER. It is expected the Chinese will attempt to cross the river into RED SHENSI. Their efforts are of questionable value when it is remembered that the Chinese Communist 19th Army is daily burning miles of crops from LUAN to FENCHENG in Southern SHANSI.

The Japanese attempts in Northern HUPEH seem to have netted them nothing as the present Chinese-Japanese lines are now substantially as they were on May 2nd., the date of the big drive. Failure of this well planned operation is attributed to the Chinese using their best troops for the first time. It has been the Chinese policy to withdraw the Central Army troops before each critical battle and leave the defense to conscripted coolies. This Japanese reversal in Northern HUPEH in which the Japanese admit their casualties were heavy and third power nationals at HANKOW described them as appalling. The Chinese attribute their victory to the deterioration in the quality of the Japanese Army however, it is believed that an improvement in the quality of their own is more nearly true.

Donn C. Hart
DONN C. HART
1st Lt. USMC

Asst. Regt'l Intelligence Officer.

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DCH/am

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

RESTRICTED:

17 June, 1939

R-2 REPORT, PERIOD 0800 10 JUNE, TO 0800 17 JUNE, 1939:

MILITARY OPERATIONS:

Military Operations during the week have been confined to small skirmishes over the entire occupied area. Only one such skirmish, the landing of Japanese bluejackets on the SHANTUNG coast under cover of aerial bombardment at SHIHKIUSO, was of any importance. The Japanese are apparently going to use the Navy as extensively as possible to help re-occupy the occupied areas in CHINA.

One interesting item comes from HANKOW where third power observers state that the Japanese forces are on the verge of mutiny. They report that the soldiers refuse to fight and that to counteract this the Japanese command is breaking them up into small patrols and sending them down the HAN RIVER where they must fight or else. Recent developments would tend to substantiate these reports, for two weeks ago the Japanese met with serious reverses in NORTHERN HUPEH and the casualties passing through HANKOW were terrific. The Chinese seem to be revising their policy of letting their best troops withdraw before major engagements and are using these troops with telling effect.

TIENTSIN:

Continuing her policy of keep the "Open Door" ajar for exit purposes only, the Japanese moved tanks into position behind their wire barricades at TIENTSIN today. During the week the situation has got progressively worse. Starting with the demand for four men in the British Concession whom the Japanese claim murdered MR. CHENG SHI-KANG, Tientsin Commissioner of Customs, but on whose guilt the Japanese refused to give any evidence. The case in one short week has reached true motives for the blockade. These are the liquidation of measures set up in the Concessions to disturb the new North China Currency and the turn-

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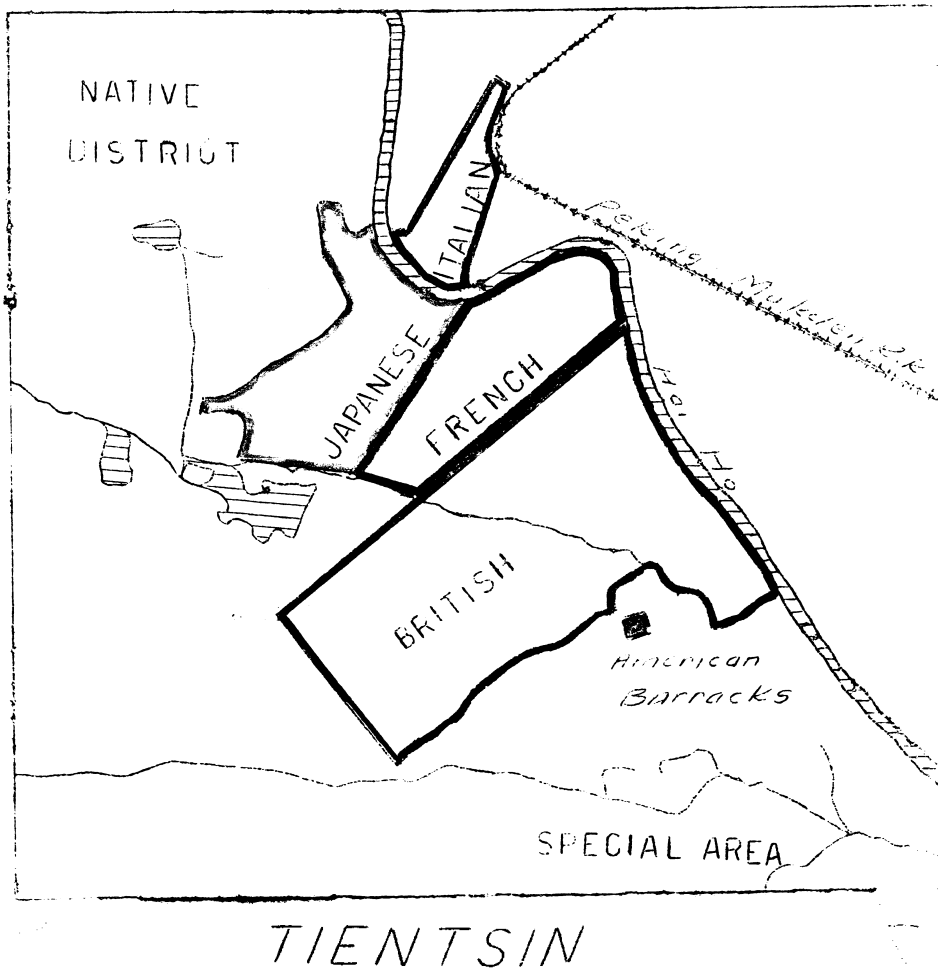
ing over to the Japanese of 50,000,000 dollars in silver now held by the Chinese Banks in the British Concession. British subjects entering the concession and leaving the area are being subjected to rigorous searching by the Japanese and it is reported that the Japanese are cutting off foodstuffs from the French and British areas but no confirmation of these reports has been received. The American interests have not been molested as yet but many American firms including the STANDARD-VACUUM COMPANY and the TEXAS OIL COMPANY opened branch offices in the First Special District (see map) when the Japanese refused to permit the YOKOHAMA SPECIE BANK to sell foreign exchange against export bills to concerns still maintaining all their offices in the British and French Concessions.

KULANGSU:

The Japanese after seeming to give up the KULANGSU adventure on the landing of American, French, and British sailors to protect their respective interests, have instituted a blockade of the island. The island with its 50,000 population is dependent on AMOY (see map) for its foodstuffs and the blockade has already caused the price of food to advance approximately 50%. Should the interested governments not aid their nationals soon their plight will be desperate.

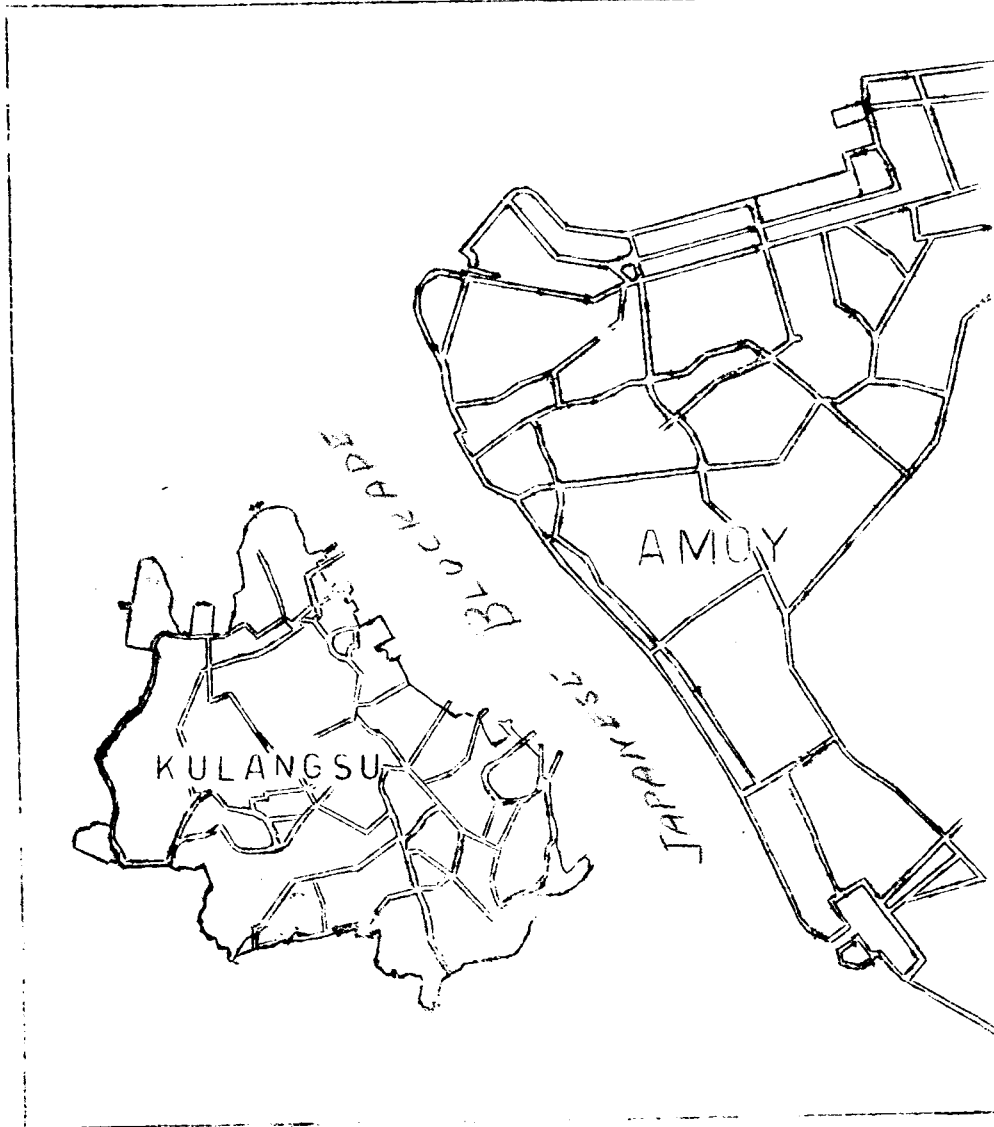
Donn C. Hart
 DONN C. HART
 1st Lt. USMC
 Asst. Regt'l Intelligence Officer.

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KULANGSU



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JSM/am

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

24 June, 1939.

26 1939
SHANGHAI, CHINA

RESTRICTED:

R-2 REPORT, PERIOD 0800 17 JUNE, TO 0800 24 JUNE, 1939:

SWATOW:

Reports from SWATOW claim the city to be completely occupied with but slight resistance. Apparently the only damage to the city was a broken water main and some rice godowns set afire by the Chinese.

The Japanese soldiers are reported well disciplined and orderly and are probably from FORMOSA since all during SOUTH CHINA Operations the Japanese have used FORMOSA as a jumping off place. However, we have reports of one Division being withdrawn from the YANGTZE VALLEY within the last two days and these troops will undoubtedly be used in this area bringing the Japanese strength in SOUTH CHINA to four Divisions on the Mainland and one Brigade on HAINAN ISLAND all under command of General ANDO.

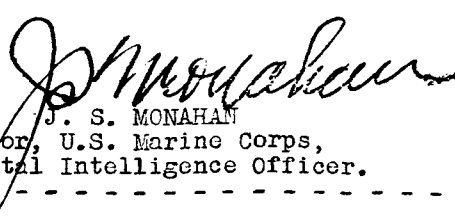
The purpose of the landing at SWATOW is obscure. The arms reaching the Chinese through this Port were negligible. Japanese Naval Blockade along the Coast was able to regulate trade with SWATOW at anytime, without occupying the city. Furthermore SWATOW does not have the huge deposits of Chinese silver which make the Foreign Settlements a thorn in the side of the Japanese Army. The withdrawal of a Division from the HANKOW area, where for the last two months the Japanese have been taking a terrific beating, for use in SOUTH CHINA seems unexplainable unless SWATOW is a prelude to action against HONGKONG.

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TIENTSIN:

The TIENTSIN situation now in its 11th day shows little prospect of a peaceful solution. The food situation which last week was acute was alleviated early in the week by the use of trucks under armed escort which ran the Blockade. Since then little restriction seems to have been placed on food entering the concessions although prices have advanced in some instances more than 50 percent.

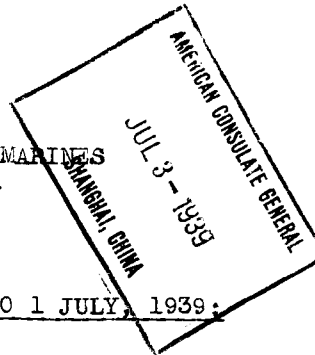
The reports received here indicate the Japanese in their attempt to get the Chinese silver held in the British Concession are desperately trying to avoid any inconvenience to American Nationals or interests in the TIENTSIN area, while the British desiring cooperate action on the part of all third powers in the area are trying to convince those interested powers that it is all foreign interests that are at stake and not those of Britain alone. The British have also reported many cases of personal outrages against their civilians by the Japanese sentries. The Japanese deny these reports, and as yet we have received no confirmation of them.


J. S. MONAHAN
Major, U.S. Marine Corps,
Regimental Intelligence Officer.

069
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

JSM/am

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA
1 July, 1939



RESTRICTED:

R-2 REPORT, PERIOD 0800 24 JUNE, TO 0800 1 JULY, 1939:

TIENTSIN:

The local Japanese military authorities have notified the French and British Concessions, that restrictions along the perimeter of these concessions will drastically be increased as of July 1st. The Japanese Government at Tokyo also announced that as of July 6th further discussion leading to peaceful settlement of the Tientsin crisis will be made at Tokyo. We have reports from North China stating that as a result of this announcement by the Tokyo Government, smoldering resentment is growing in the North China Japanese Army. At the present time Japan is no longer a "have-not" country in the sense of territory. At the present time nothing is dearer to the Japanese heart than the dream of "Status Quo". So now in order to get the financial assistance necessary to make this dream come true, the Japanese seem to be out to compel some sort of cooperation from the British. And with characteristic Japanese subtlety they are using the British Far Eastern interests to "black-jack" the British into full cooperation.

POLITICAL:

Reports received here declare that the Japanese are now prepared to launch a new "Puppet" Government. This Government under the leadership of Wang Ching-wei will have its headquarters at Nanking, and will be known as the "Chunmin" (All Peoples) Government. The new Government will be National in character,

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

coordinating the Provisional and Reformed Government as well as the various Peace Preservation Governments. The Provisional and Reformed Governments are to maintain a semi-independent status under this new National regime. The flag chosen to symbolize this latest Japanese effort is reported to be the Kuomintang's White Sun on a blue field with the Five Barred Flag in the corner. The new "puppet" government members have stated their complete agreement with Kuomintang policies, and are making a bid for support by the Chungking Government, with the exception of Chiang Kai-shok toward whom Wang Ching-wei has sworn undying enmity. The cornerstone of the New National Governments appeal to the Chinese masses is reported to be the expulsion of all occidentals from China and the abolition of all Concessions.

FOOCHOW:

During the week the Japanese have closed two more China Sea ports. Both the harbors of Foochow and Wenchow were ordered cleared of all third power shipping by the 29th. Fearing a Japanese landing at Foochow to follow up the aerial bombardment the native population are choking all means of communication in an effort to avoid being trapped in the city when the bridges in and around Foochow are blown up by the local Chinese military. The Chinese population was reported to be in a state of high tension bordering on panic all last night as rumors of a Japanese landing kept reaching the city. Some instances of damage to American property from Japanese air raids have been reported.

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 O. Gustafson NARS, Date 12-18-75

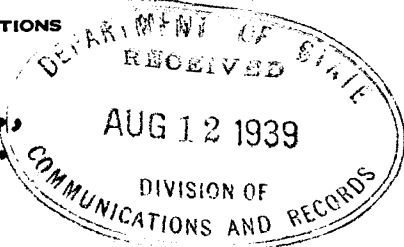
KEY PITTMAN, NEV., CHAIRMAN
PAY HARRISON, MISS.
WALTER F. GEORGE, GA.
ROBERT F. WAGNER, N. Y.
TOM CONNALLY, TEX.
ELBERT D. THOMAS, UTAH
FREDERICK VAN NUYS, IND.
JAMES E. MURRAY, MONT.
LEWIS B. SCHWELLENBACH, WASH.
CLAUDE PEPPER, FLA.
THEODORE F. GREEN, R. I.
ALBEN W. BARKLEY, KY.
ROBERT R. REYNOLDS, N. C.
JOSEPH F. GUFFEY, PA.
GUY M. GILLETTE, IOWA
BENNETT CHAMP CLARK, MO.
WILLIAM E. BORAH, IDAHO
HIRAM W. JOHNSON, CALIF.
ARTHUR CAPPER, KANS.
ROBERT M. LA FOLLETTE, JR., WIS.
ARTHUR H. VANDENBERG, MICH.
WALLACE H. WHITE, JR., MAINE
HENRIK SHIPSTEAD, MINN.
EDWARD J. TRENWITH, CLERK
JAMES A. WHITE, ASST. CLERK

United States Senate

COMMITTEE ON FOREIGN RELATIONS

Washington, D. C.,
August 10, 1939.

August 12 1939



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

My dear Mr. Welles:

I am answering cable which I trust you will find it proper
to transmit through proper medium to the addressee.

Sincerely yours,

[Signature]

file
Letter to Senator Pittman
Aug. 12.

793.94
793.94/15300

AUG 17 1939
RECEIVED

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

United States Senate,
Washington, D. C.,
August 10, 1939.

Changchiluan,
President, China National Press Association,
Chungking, China.

Our Government intends to act firmly and justly in the
Sino-Japanese matter. I trust that China will not become impatient
and that Japan will realize that the United States will never
recognize the new order in China based on violation of treaties.

KEY PITTMAN

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

August 12 1939

My dear Senator Pittman:

In response to the request contained in your letter of August 10, the cable, the text of which was enclosed with your letter under acknowledgment, has been forwarded to the addressee.

Sincerely yours,

Sumner Welles

Acting Secretary -

793.94/15300

The Honorable

Key Pittman,

United States Senate,

Washington, D. C.

F/FG

FE:MMH:HES
 8-11

RA FE
 m/m

REC-12 1-39
 A true copy of
 the original
 is being
 sent to
 the
 State
 Department

0702

DECLASSIFIED: E.O. 11652, 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

TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE

Department of State

PARTIAL

PLAIN

Collect { Full rate
Day letter
Night letter

Charge Department:

Full rate
Day letter
Night letter

Charge to
\$

Washington.

Naval Radio

United States Senate,
Washington, D. C.,
August 10, 1939.

Changchiluan,
President, China National Press Association,
Chungking, China.

Our Government intends to act firmly and justly
in the Sino-Japanese matter. I trust that China will
not become impatient and that Japan will realize that
the United States will never recognize the new order
in China based on violation of treaties.

KEY PITTMAN

793.94/15300

F/FG

Enciphered by _____

Sent by operator _____ M., _____, 19 _____

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations: Developments of past month, April, 1939.

For the original paper from which reference is taken

See #3912
(Despatch, telegram, instruction, letter, etc.)

Dated May 24, 1939 From Japan (Dooman)
To

File No. 894.00 P.R./137

U. S. GOVERNMENT PRINTING OFFICE 1-1540

PRG.

793.94/15301

15301

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

II. RELATIONS WITH OTHER COUNTRIES.

(a) China.

1. Military Operations.*

793.94
(794 12-16)
Military operations during the month, according to Japanese reports, were limited to drives against Chinese guerilla forces, relatively small scale engagements with regular Chinese army forces in

* Embassy's telegrams No. 183, April 18, and No. 185, April 19, and despatch No. 3842, April 26, 1939.

** Prepared with the assistance of the Military Attaché's office.

-13-

in districts around the already occupied areas, and the defense against what the Japanese called the Chinese "April offensive". In regard to this offensive the Japanese reports claimed that the Chinese campaign was a complete failure and that the Japanese units had driven back the attacks on all fronts.

The April offensive - to previous reports of which the Japanese had apparently given little credence - reportedly materialized on schedule on April 10 with concerted attacks made on a number of fronts, including Suiyuan, Shansi, North Honan and the Canton area. In the Suiyuan sector the Chinese attacked in the area east of Paotow and were said to have been driven off by a Japanese counter-offensive. In Shansi, especially in southern Shansi, many engagements were reported, in all of which the Japanese claimed to have repulsed the Chinese. However, it is noted that despite the months of Japanese campaigns launched in Shansi against the Chinese forces in that province, reports of continued fighting there appeared in the press even up to the end of the month.

The most intensive engagements of the "April offensive" apparently occurred in the Kaifeng area in North Honan, where a number of determined Chinese attacks were made on that center, several of which resulting in the Chinese reaching almost to the walls of the city before being driven off. It is understood that these attacks were well planned and gave the Japanese some concern in holding Kaifeng. At the same time, other activity occurred north of the Yellow River in Honan and in the area near Shihkiachwang and Paoting, where the Japanese reportedly fought some forty engagements.

In

-14-

In the area around Canton it is reported that large numbers of Chinese troops moved south in the direction of Canton and that heavy fighting occurred north of Tsungfa and Tsengcheng with the Japanese finally defeating ^{the} attacking forces. Fighting around Kongmoon and Fahsien was also reported. The Tamchow Delta, twenty miles south of Canton, was reportedly occupied on April 14.

Throughout the month, engagements occurred in both the Wuning and Nanchang sectors in Kiangsi incident to the pursuing of the retreating Chinese forces after the capture of those two cities at the end of March. Kaoan, about thirty miles west of Nanchang was captured on April 1 and by the end of the month the Japanese had advanced to within a radius of from twenty to thirty miles west south and east from Nanchang. The Chinese troops were said to have concentrated at Tancheng on the Kan River. On April 18 Kuling was finally occupied.

At the beginning of the month rather heavy bombing attacks were reported to have been undertaken in the area around Nanchang and in North Honan, Shansi, and Shensi, and in Kwangsi and Yunnan. But with the exception of raids on Foochow and Swatow, Japanese aviation reportedly was little active during the remainder of the month.

2. Shanghai.

There appeared in the local press towards the end of the month a report that the Foreign Ministry was expected soon to invite the British and American Ambassadors to the Foreign Office to acquaint them with the policy of the Japanese Government towards the International Settlement at Shanghai. In the report, it was contended that the Chiang Kai-shek administration, taking advantage of the friendly attitude of Britain and America, had indulged in anti-Japanese activities in the Settlement. The Japanese protests in this regard to the Municipal Council were

referred

-15-

referred to and it was asserted that Great Britain and the United States were "still obsessed by the old ideas which governed the International Settlement". "They ignore", the report continued, "the complete change in conditions which are a sequel to the Sino-Japanese hostilities, while the Japanese Government stoutly holds that it cannot recognize the agreements which the International Settlement previously concluded with the Chiang Kai-shek régime and that the Japanese Government is expected to announce its policy to settle all outstanding issues after the Municipal Council has been properly reorganized and the Settlement extension and other problems have been settled." It was also stated in the article that a similar representation would be made to the French Government in regard to the French Concession "in view of the frequent occurrences of terrorism there".

3. General Relations.

It was announced in the press in Japan on April 21 that a new Wuhan Special Municipality had been organized and that preparations were being made for a new régime, whose seat would be at Hankow, to be created to have jurisdiction over the provinces of Hupeh, Hunan and Kiangsi. It was expected that this new government would come into existence by August of this year.

There were rumors current during the month to the effect that a peace might shortly be concluded in the present Sino-Japanese hostilities. In this regard the local press intimated that "the collapse of the Chinese April offensive" would discourage the Chinese supporters of resistance to Japan and would encourage the advocates of peace, and that Wang Ching Wei's third statement, which was made in April, regarding the necessity for the immediate cessation

-16-

cessation of Sino-Japanese hostilities would help towards this end. It should be noted, however, that any such movement for peace was interpreted in Japanese reports as predicated on "Sino-Japanese cooperation for a new order in East Asia following the overthrow of the anti-Japanese Chinese National Government".

On April 29 an announcement appeared in the local Japanese press that a bank of issue, to be known as the Central China Commercial Bank, a Sino-Japanese enterprise, would be inaugurated on May 1 at Shanghai. The notes to be issued by the bank, it was stated, would be maintained at par with the Chinese national currency and would be convertible into foreign exchange.

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Report concerning -, for month of June, 1939.

aa

For the original paper from which reference is taken

See despatch # 2331
(Despatch, telegram, instruction, letter, etc.)

Dated July 7, 1939 From Shanghai (Gauss)
To

File No. 893.00 P.R. Shanghai/129

793.94/15302

15302

4. Japan

793.94
a. Naval Operations. Japanese naval operations designed more closely to blockade the China coast were extended. The Island of Chusan, located in Hangchow Bay off the entrance of Ningpo, was occupied by the Japanese on June 22. There were only a few Chinese guerilla units on the island and these offered very little resistance. Japanese naval vessels and aeroplanes bombarded and bombed the forts guarding the approach to Ningpo but no attempt was made to capture the forts and occupy the city. However, as a precautionary measure the Chinese authorities at Ningpo closed the boom thrown across the river approach to the city.

On June 27, notice was received from the Japanese authorities that the Japanese armed forces were about to commence operations against the port of Wenshow in southern Chekiang; third party nationals and naval and merchant vessels were requested to remove from Wenshow to places of safety before noon, June 29.* Japanese naval units effected landings and seized two islands in the vicinity of Wenshow but had not occupied the city at the end of the month.

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

- 11 -

Japanese operations off Ningpo and Wanshow were obviously designed to blockade the two remaining ports along the Chekiang coast through which a considerable quantity of import and export cargo has been flowing into Chinese territory during the past two years. Military observers have been surprised that the Japanese did not close these trade outlets long ago.

No clearance papers were issued by the local Customs authorities for the five small ports in the provinces of Kiangsu and Chekiang which the Japanese naval authorities, at the end of May, announced closed to shipping. However, it is understood that vessels cleared for nearby points and that some traffic was maintained in this indirect manner.

DECLASSIFIED: E.O. 11652, 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

EMC

CHUNGKING VIA NR

1-1238

FROM Dated August 13, 1939

Rec'd 7:45 a. m.

Secretary of State
Washington

Division
FAR EASTERN AFFAIRS

AUG 14 1939

Department of State

494, August 13, 11 a. m. (GRAY.)

Following message received in clear as originating
from United States Senate: (END GRAY.)

Chang Chi Luan, President China National Press
Association, Chungking.

Our Government intends to act firmly and justly in the
Sino-Japanese matter. I trust that China will not be impa-
tient and that Japan will realize that the United States will
never recognize the new order in China based on violation of
treaties. (BEGIN GRAY.)

Copy of message has been delivered to the addressee
under cover of the following letter signed by an officer of
the Embassy staff:

"Dear Mr. Chang; there is enclosed a copy of a radio
message received on the evening of August 12, 1939 from the
Honorable Key Pittman, United States Senator, for delivery to
you. Yours truly".

Repeat to Embassy at Peiping. (END GRAY.)

JOHNSON

WWC

793.94/15303

AUG 16 1939

FILED

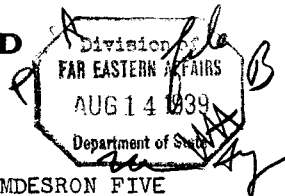
F/FG

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

TELEGRAM RECEIVED

ME

This telegram must be closely
paraphrase before being ^{FROM}
communicated to anyone



COMDESRON FIVE

August 14, 1939

Rec'd 10:45 a.m.

ACTION: CINCAF

INFO: COMDESRON FIVE ADMINISTRATION

793.94

0014. Everything Chafoo orderly quiet on
Saturday and Sunday Captain Barry states that he had
a satisfactory conference with Saito in DORSETSHIRE
yesterday morning. Former requested interview.
Latter agreed see him in the Strand Hotel. British
commanding officer protested to Vavibino regarding
this discourtesy. Believe orange senior then ordered
junior to go on board cruiser 1027.

793.94/15304

AUG 18 1939

FILED

F/FG

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

ME

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

FROM

Division of
FAR EASTERN AFFAIRS
AUG 14 1939
Department of State

ALUSNA PEIPING (Via N.R.)

August 14, 1939

Rec'd 10:45 a.m.

INFO: CINCAF
ASTALUSNA CHUNGKING
(PASSED TO OPNAV FOR INFORMATION BY ALUSNA)

193.94

0013. The Japanese are reported by the
Governor of Kiangsu to have withdrawn considerable
numbers of men from the valley of the Yangtze River.
Tseng Tsu Ming, the Governor, also reports that Japanese
army officials have notified him that he is to take
over the military responsibility of his province within
two weeks using his own troops. The officials of the
province are becoming apprehensive over reductions in
troop garrisons which are taking place. Missionaries
report that the garrison at Soochow has been reduced to
one thousand from five thousand and that other posts in
the same area have been reduced in a like manner 1827.

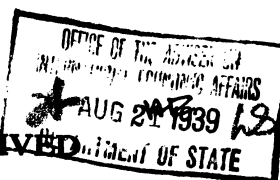
FILED
AUG 14 1939

793.94/15305

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



FE
EA

EDA CORRECTED COPY

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

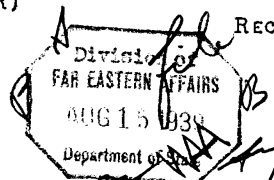
CHUNGKING VIA N.R.

FROM

Dated August 13, 1939

Secretary of State

Washington



Received 7 a.m., 14th

in confidence
shown to Major H. C. ...
and ...
9/15/39

495, August 13, 9 a.m. (SECTION ONE).

Despite fluidity of events and difficulty of appraisal of facts I offer following comments as personal reactions since my return from leave.

From a military point of view it is apparent that the land forces of China and Japan are at a deadlock. Since the beginning of the year the Japanese army of occupation has been vainly endeavoring to advance its control in Shansi, Hopei, Shantung and Northwestern Hupeh. It is evident that the Japanese garrison army south of the great wall (believed to number about a million men) has all it can do to hold what it has without extending its holdings and that additional reinforcements of perhaps an equal number of men will be needed to accomplish Japanese occupation of Shansi province, Shensi, Kansu, Szechuan, Chekiang, Kiangsi, Hunan, Kweichow, Kwangtung, Fukien and Yunnan. (END SECTION ONE).

JOHNSON

CSB

793.94/15306

F/FG

7 / 1
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

15703

TELEGRAM RECEIVED

EDA CORRECTED COPY

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

FROM

CHUNGKING VIA N.R.

Dated August 13, 1939

Received 7 a.m. 14th

Secretary of State

Washington

495, August 13, 9 a.m. (SECTION TWO)

743.94 15306
In fact the military occupation of these mountain
and remote western and south western provinces presents
obstacles of both a physical and logistic nature which
make its achievement open to grave doubt and it is highly
doubtful whether the Japanese are willing to make the
effort. Chinese forces do not yet show any aggressive
spirit. They continue to remain on the defensive. Such
advances as they have made consist generally in forays
into the occupied areas with little or no attempt to retake
important and strategical commercial bases. However, the
Chinese are establishing guerrilla bases in the war areas
the importance of which cannot be minimized in future
operations. (END SECTION TWO).

JOHNSON

CSB

15704

TELEGRAM RECEIVED

RFP

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

FROM

Chungking via N. R.

Dated August 13, 1939

Rec'd 7 a.m., 14th

Secretary of State

Washington

495, August 13, 9 a.m. (SECTION THREE)

The Japanese Navy has been tightening its hold on the coast with the intention of closing Chinese ports against further exportation of Chinese products. This is progressively affecting the ability of Chinese to sell their products and obtain foreign exchange for use in purchase of goods abroad although exports through Indo-China and Burma show some increase. The ability of the Japanese Navy to plug up all of the leaks is open to doubt as long as Hong Kong and Shanghai remain open as collecting and forwarding centers. (END SECTION THREE)

JOHNSON

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

15705

TELEGRAM RECEIVED

REB

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

FROM

CHUNGKING VIA N.R.

Dated August 13, 1939

Rec'd 1:10 p. m. 14th

Secretary of State,

Washington.

495, August 13, 9 a. m. (SECTION FOUR)

893.51
Financially the Chinese Government is practically at
the end of its domestic financial resources. The small
fund advanced by Great Britain for use as a stabilization
fund to maintain exchange has been exhausted in the attempt
to maintain Chinese currency in the occupied areas.
Efforts by the Chinese Ministry of Finance to obtain
French and American participation in this method of support-
ing the Chinese national currency have failed. The result
is that the Chinese Government has, to all intent and
purposes, abandoned the Chinese dollar in the occupied
areas and Chinese economists and financiers are dis-
couraged, feeling that such abandonment will react seriously
upon the loyalty of Chinese in the occupied areas, compel
them to accept Japanese sponsored currency for their
products and thus help to establish that currency upon
exchange derived from the sale of Chinese products shipped
abroad.

(END SECTION FOUR)

JOHNSON

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

15708

TELEGRAM RECEIVED

CJ

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

CHUNGKING VIA N.R.

FROM Dated August 13, 1939

Rec'd 1:05 p.m., 14th

Secretary of State,

Washington.

495, August 13, 9 a.m. (SECTION FIVE).

This, of course, opens up a fruitful field of speculation as no one is able to foresee just how long and to what extent the Japanese Government with its own exchange problems will be able to support the currency of the regimes it is trying to set up in China. Japan of course hopes that exports from the occupied areas to countries other than Japan will take over the burden of this bayonet currency of the Japanese army of occupation but it will be some time before any accurate estimate can be made of the capacity of such commerce as may survive or be allowed to grow, apart from that which must pay for Japanese goods and the charges of the Japanese army of occupation, support such currency. The fact remains however that at the moment some responsible Chinese leaders are considerably disturbed about the financial situation, the dwindling exchange resources over which they have control and their ability to continue to hold the loyalty of the Chinese of the occupied

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

15707

-2- #495, August 13, 9 a.m. (SECTION FIVE), from
Chungking via NR

occupied areas where Japanese sponsored currency is
available as against unsupported Chinese national cur-
rency. (END SECTION FIVE).

JOHNSON

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

15708

TELEGRAM RECEIVED

AC

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

Chungking via N.R.

FROM

Dated August 13, 1939

Rec'd 7 a.m., 14th.

Secretary of State

Washington

August 13
495, /9 a.m. (SECTION SIX)

741.93
741.942

This attitude of discouragement was increased by the widely disseminated Japanese interpretation of the formula accepted by the British negotiators in Tokyo. The Chinese feared that the British Government might be preparing to accept Japanese aims in China as a fait accompli and to withdraw all support and perhaps recognition from the Chinese Government. The action of the American Government in serving notice on Japan of its intention to denounce the treaty of 1911 and the accompanying evidence that this action was the outgrowth of a growing feeling in the United States of indignation over Japanese disregard of American rights and interests in the occupied areas came as an electric shock to the Chinese and has served to buoy them up on the belief that this action portends further steps of a positive character by the United States Government in defense of its citizens and their rights and interests in the Far East. Chinese leaders assume that positive action of this sort cannot

but

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

15709

- 2 - #495, 9 a.m. (SECTION SIX) from Chungking

but aid them in their resistance to Japanese aggression.

(END SECTION SIX)

JOHNSON

DDM: WWC

15710

TELEGRAM RECEIVED

RFP

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

FROM

Chungking via N. R.

Dated August 13, 1939

Rec'd 7 a.m., 14th

Secretary of State

Washington

495, August 13, 9 a.m. (SECTION SEVEN).

It is worthy of note in connection with the Japanese instigated anti-British agitations in the occupied areas that the Chinese authorities have never, in so far as I am aware, publicly uttered any condemnation of such agitation. It must be remembered that here in the Far East the Occidental, of whatever nationality, has a status not unlike that of the Jew in eastern European countries and it may be expected that there will be instinctive sympathy among all peoples of the Far East toward these agitations against one of the Occidental peoples and an interest in watching its effects without implying any change of attitude toward the Japanese. If these agitations result in more positive attitudes on the part of the Occidental nations in their relations with Japan all the better. In this connection I suggest the rereading of my telegram No. 593, September 3, 1 p.m., 1937, from Nanking.

(End section seven.)

JOHNSON

RR:CSB

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

15711

TELEGRAM RECEIVED

CJ

This telegram must be _____ CHUNGKING VIA N.R.

closely paraphrased before being communicated to anyone. (br)

Dated August 13, 1929

FROM

Rec'd 1:25 p.m.

Secretary of State,

Washington.

495, August 13, 9 a.m. (SECTION EIGHT).

Domestically there appear to be a notable intensification of the long standing issue between the Kuomintang and the liberal and so-called communist groups. While all political elements among the leaders and people have been compelled by events to cooperate in resisting Japanese encroachment the leaders of the Kuomintang, responsible for Government policy and conduct of the defense, have shown a growing jealousy of the so-called communist leaders among the youth of the country and a tendency to increased demands of party orthodoxy among their followers and the people. The Soviet Union Government has never, so far as I can learn, shown any tendency or desire to support the so-called communist forces as against the Chinese National Government. On the contrary Soviet support, which has been considerable and which has been of material assistance to China's war economy, has been given exclusively to the Kuomintang Government. (END SECTION EIGHT).

JOHNSON

CSB

172
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

5712

REB

TELEGRAM RECEIVED

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

CHUNGKING VIA N.R.

FROM

Dated August 13, 1939

Rec'd 1:15 p. m. 14th

Secretary of State,

Washington.

495, August 13, 9 a. m. (SECTION NINE)

493.0
The defection of Wang Ching Wei has not yet attracted any important Chinese leaders from their loyalty to the Kuomintang Government and it is evident from reports from the occupied areas that he has not yet succeeded in attracting to himself any followers, military or civilian, of note able to bring together the occupied areas under one regime which might wage civil war against the Kuomintang Government and win the de facto recognition of the foreign powers. This is due not only to his own lack of prestige but also to the inability of disparate elements among the leaders of the Japanese army of occupation to unite on any plan that would give to Chinese a predominant regency in such a unified government.

(END SECTION NINE)

JOHNSON

WWC

RR

7724
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

15713

TELEGRAM RECEIVED

CJ

This telegram must be CHUNGKING VIA N.R.
closely paraphrased be-
fore being communicated FROM Dated August 13, 1939
to anyone. (br)

Rec'd 1:20 p.m., 14th

Secretary of State,

Washington.

495, August 13, 9 a.m. (SECTION TEN).

The situation remains in a state of flux with the burden of proof still on the Japanese army and with Chiang Kai Shek and his Kuomintang Government, which they have read out of office so many times, essentially in control of China despite their economic and financial problems. I have consulted members of my staff in regard to the above and find them generally in agreement with it. *End of message.* cjl

Repeated to Peiping and Shanghai. Shanghai repeat to Tokyo.

JOHNSON

RR: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

15714

FE
EA

TELEGRAM RECEIVED

RFP

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

FROM

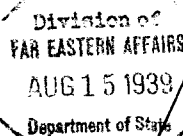
Chungking via N. R.

Dated August 13, 1939

Rec'd 7 a.m., 14th

Secretary of State

Washington



*see corrected
copy*

495, August 13, 9 a.m. (SECTION ONE).

Despite fluidity of events and difficulty of appraisal
(?) I offer following comments as personal reactions since
my return from leave.

From a military point of view it is apparent that the
land forces of China and Japan are at a deadlock. Since
the beginning of the year the Japanese army of occupation
has been vainly endeavoring to advance its control in
Shansi, Hopei, Shantung and Northwestern Hupsh. It is
evident that the Japanese garrison army south of the great
wall (believed to number about a million men) has all it
can do to hold what it has without extending its holdings
and that additional reinforcements of perhaps an equal
number of men will be needed to accomplish Japanese
occupation of Shansi province, Shensi, (?) Szechuan, Che-
kiang, Kiangsi, Hunan, Kweichow, Kwangtung, Fukien and
Yunnan. (End section one.)

*793.94
notes*

JOHNSON

CSB

793.94/15306

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

MJB

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

FROM

Chungking via NR

Dated August 13, 1939

Rec'd..7 a.m. August 14

See Corrected Copy

Secretary of State,
Washington.

495, August 13, 9 a. m. (SECTION TWO)

In fact the military occupation of these mountain and remote western and south western provinces presents obstacles of both a physical and logistic nature which make its achievement open to grave doubt and it is highly (*) whether the Japanese are willing to make (?). Chinese forces do not yet show any aggressive spirit. They continue to remain on the defensive. Such advances as they have made consist generally in forays into the occupied areas with little or no attempt to retake important and strategical commercial bases. However, the Chinese are establishing guerrilla bases in the war areas the importance of which cannot be minimized in future operations. (END SECTION TWO)

JOHNSON

CSB

(*) Omission

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese relations.

Report concerning -; for month
of June, 1939, in Canton Consular
District.

aa

793.94/15307

For the original paper from which reference is taken

See despatch # 4
(Despatch, telegram, instruction, letter, etc.)

Dated July 10, 1939 From Canton (Myers)
To

File No. 893.00 P.R. Canton/137

15307

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

1. Japan.

(a) Military Activities in Canton Area:

713.94
2-4
Sporadic fighting between Chinese troops and detachments of Japanese occurred during the early and middle part of June in the delta area south of Canton and elsewhere around the perimeter of the occupied area of Kwangtung. Hostilities on a somewhat larger scale were reported by both Chinese and Japanese sources to have begun on June 27 in the region north of Canton between Tsungfa (從化), Fahsien (花縣) and the Canton-Hankow railway. The Japanese stated that Chinese units between Tsungfa and Fahsien were repulsed, but the Chinese claimed to be pushing southward and to have recaptured Sunkai (Sunmanfow, 新民埠), which is about 20 miles north of Canton

on

*Telegram No. 64, June 17, 11 a.m. to Department.

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

- 3 -

on the Canton-Hankow line. According to usually reliable foreign sources, the Chinese at the end of June were in possession of Tsungfa, Fahnien city and Sunkai. Moreover, at the end of the month guerrilla forces were causing the Japanese considerable difficulty within occupied territory.

(b) Hainan Island:

Japanese forces on Hainan Island appeared to be inactive during June except for minor operations carried out late in the month in the northeastern part of the island where they claimed the capture of Loto (羅豆), Oongtien (翁田) and Chinshan (錦山).

Chinese and Japanese news reports, as well as a reliable foreign source, indicated that Chinese guerrillas were active in the interior of Hainan near Japanese-occupied towns such as Hodon (那大) and Kachak (嘉積).

On June 20 the port of Hoihow was reopened to foreign shipping*, but according to information from official sources foreigners must obtain permission to enter that port.

(c) Threatened Invasion of Kwangsi:

Late in June reports of a concentration of Japanese ships off Yeungkong (陽江) gave rise to fears that the Japanese intended to land there, perhaps in order to initiate an invasion of Kwangsi province.

(d) Aerial Activities:

Japanese planes, during June, carried out fewer raids on towns in this consular district than usual.

Haining

*Telegram No. 66 June 21, 3 p.m. to Department.

- 4 -

Nanning (南寧), in Kwangsi, and Toishan (台山),
Doushan (斗山), Pakaha (白沙) and Liakong (廉江)
in Kwangtung, were among the towns which were reported
to have been bombed.

(e) Pro-Japanese Irregulars:

During June the Japanese in the Canton area and on
Hainan Island extended their employment of armed bodies
of Chinese. In some cases entire bandit gangs were taken
over in a body and subsidized. In other cases individuals
and small groups were organized into corps. These corps
are known by various names, most of which indicate that
their function is the preservation of local peace and
order. Loyal Chinese units are understood to have had a
number of clashes with such mercenaries.

(f) Japanese Propaganda:

The streets of Canton have been filled with posters
and slogans attacking communism and the Chiang government,
and urging Sino-Japanese cooperation for the purpose of
establishing a new order in East Asia.

In the local vernacular press a number of articles
were published containing pious statements concerning
peace and attacking England, America, France, Russia,
the Kuomintang and the Communist party as enemies of peace.
At the same time alleged Chinese lack of will and ability
to continue the hostilities was often mentioned.

DECLASSIFIED: E.O. 11652, 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

This telegram was received
in Navy cipher and must be
closely paraphrased before
being communicated to anyone

USS PILLSBURY

FROM August 18, 1939

Received 2 p.m.

ACTION COMSOPAT

Division file
FAR EASTERN AFFAIRS

AUG 17 1939

Dep. of State

Telegram to Swatow

0015. A seaplane tender was anchored outside Swatow

when the PILLSBURY arrived yesterday. Aircraft on the
previous day bombed Powtai and understand American mission
property damaged but no information on casualties. Situation
generally quiet the same as before, incident of the seventh
apparently settled to the full satisfaction both parties
with no after effects. Fighting continues in the Chauchow
Fu area, the fire of field guns frequently heard here,
rumored Chinese sending artillery reinforcements 1436.

CSB



FILED
AUG 22 1939

793.94/15308

F/FG

0734

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

PREPARING OFFICE
 WILL INDICATE WHETHER

Collect ☐ Full rate
☐ Day letter
☐ Night letter

Charge Department:
☐ Full rate
☐ Day letter
☐ Night letter

Charge to
 \$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
☒ CONFIDENTIAL CODE
☐ NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Washington, BROWN -
 Naval Radio

August 18, 1939

AMERICAN CONSUL

SWATOW, KWANGTUNG (CHINA)

INFO: AMEMBASSY, PEIPING (CHINA)

This cable was sent in plaintext. Code.
 It should be carefully paraphrased before
 being communicated to anyone. (B)w

9
 A message dated August 15 from the U.S.S. Pillsbury
 to the Commander, South China Patrol, states that it was
 understood that American mission property was damaged
 by bombs at "Powtai" August 14. Please report available
 information, including whether "Powtai" is the correct
 name place and its location.

Sent to Swatow, Repeated to Peiping.

Wells
 Acting

SKH

1939 AUG 18 PM 5 45

AUG 18 1939. PM

793.94/15308

FE:GA:MHP

Enciphered by _____

Sent by operator _____ M., _____, 19____

793.94/15308

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations.

Report concerning -, for month of June,
in Swatow Consular District.

aa

For the original paper from which reference is taken

See despatch # 56
(Despatch, telegram, instruction, letter, etc.)

Dated July 5, 1939 From Swatow (Young)
To

File No. 893.00 P.R. Swatow/139

793.94/15309

15309 -

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

(b) Relations with Japan.

743.94
(2.7)

During the first three weeks in June, the aerial activities of the Japanese naval units were wide-spread but not of a severe nature. Only once during the month were bombs dropped on Swatow and the damage was negligible, but hardly a day passed that there were not one or more scouting planes over Swatow and the vicinity. During the first part of the month there were several times in which it was believed that the Japanese military authorities were starting an attack on Swatow but each time it came to nothing.

During the night of June 20th there was a large concentration of Japanese naval craft observed outside of Swatow harbor, but to the general public the first intimation that events of importance were about to happen was a blast on the air raid siren at 4:45 a.m. followed by a second alarm a few minutes later. As the early morning light grew stronger it was apparent that Masu Island at the entrance to the harbor was the first objective of the Japanese attack and soon the Japanese flag was seen to be flying from Masu Island. It was later reported that landings had been made at Nam Long (南港) and in Haimen Bay. With the

capture

(Continue on page 3)

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

-3-

capture of Masu Island and the mainland opposite, the control stations to set off the mines placed at the harbor entrance were in Japanese hands from the very first. Therefore, there was no difficulty experienced by the Japanese Navy in bringing five mine-sweepers and one destroyer directly into the harbor during the morning and anchoring them at intervals in close proximity to U.S.S. PILLBURY and H.M.S. MANET. The mine-sweepers shelled the Old Fort as they passed on their way up the harbor receiving a machine-gun reply in return. The Japanese destroyer opened fire against the Old Fort with its main battery and at the same time 14 Japanese airplanes were observed to be in the air at one time over Swatow. They soon started an intensive bombing of various parts of the city chiefly in the outlying districts and in the vicinity of the Old Fort while the naval craft in the harbor kept up a "trafing" of the fore-shore evidently in an attempt to dislodge snipers but six shells landing in the compound of the English Presbyterian Mission gave ample evidence that Japanese gunnery was of a low order.

The Commanding Officer of U.S.S. PILLBURY received a call from a boarding officer from the Japanese destroyer, H.M.S. YUJUNAGI, during the morning transmitting a notification in letter form from Captain Kikio Hayakawa, the Senior Japanese Officer present, advising all third power vessels to clear from the harbor by 1 p.m. of the next day and proceed to the eastward beyond Good Hope Cape lighthouse, and disclaiming all responsibility

for

DECLASSIFIED: E.O. 11652, 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-

for any damage resulting if his advice were not followed. Needless to say this warning was not heeded and the U.S.S. POPS, with Captain John P. G. Stapler, U.S.N. (Commander South China Patrol) on board and H.M.S. SCOUT came in the following morning to double the number of third power war vessels in port.

Throughout the afternoon of June 21st there were both bombing and shelling varying in its intensity, but no apparent attempts in Swatow itself to effect a landing. To the eastward near the harbor entrance there was a certain amount of activity among small boats giving evidence that troops were landing beyond the Old Port and during the later afternoon Japanese Army transports entered the harbor until a total of eight were at anchor, in addition to which there were a large number of small craft of all sorts and types varying in size from large trawlers down to small landing boats.

By noon of the 21st it is believed that all Chinese soldiers had withdrawn from the central part of the city and perhaps from the entire city, leaving its defense in the hands of the police. During the evening a landing was made in the vicinity of the Old Port and Japanese troops advanced westward along Kialat Road past the consulate driving the police defenders before them. Throughout the entire occupation, which was actually accomplished with surprisingly little disorder or loss of life, the defense of Swatow was negligible.

Before their departure from the city the Chinese set several fires which burned during the night, but while it

was

0735

DECLASSIFIED: E.O. 11652, 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-

was feared for a time that the electric light plant had been destroyed it was found later that the largest fire was in a lumber mill and rice godown. During the night the entire city was taken over by Japanese forces and it was with the utmost relief that it was realized that an event which had been dreaded for so many months had taken place with so little destruction and no loss of life among the American or other third power nationals.

On June 22nd the transports commenced landing troops and equipment using the property of the Chinese Maritime Customs as a landing stage. Also the property of China Merchants Steam Navigation Company claimed to be owned or controlled by the William Hunt and Company, an American firm, was taken over and used from the beginning by the Japanese military forces. Due to doubt regarding the status of this property no protest was lodged with the Japanese.

As soon as the taking of Swatow was over the Japanese Army set out for Chaochowfu, a city approximately thirty miles north of Swatow, their progress being somewhat impeded by the fact that the railway track between Swatow and Ampo (菴埠) about seven miles away had been removed by order of the Chinese military during the early part of the month. While it is apparent that the Japanese troops encountered more resistance in taking Chaochowfu than had been anticipated, by the end of the month under review the capture of that city was reported. Already some of the Japanese troops engaged in the campaign were beginning to be withdrawn and to be returned

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

-6-

to their transports for transfer to Canton where it was reported renewed activities on the part of the Chinese required their presence. It is impossible to determine the number of casualties suffered by both sides during the few days fighting required to take Chaochowfu, but unconfirmed reports state that several thousand Japanese were put out of action during the engagement.

An interesting phase of the campaign was the direct manner in which the drive was made on Chaochowfu with no consideration given to the capture of territory on either side. So it was at the end of the month that the small villages along the river leading to Kityang had yet to see a Japanese soldier and the river itself was still open to navigation of sorts.

During the afternoon of June 22nd I received a call from Japanese Consul Endahisa Matsudaira, who told me that he had just arrived in Swatow and that his mission was to gain the cooperation of the foreign community in returning Swatow to a state of normal activity. He stated that foreign property rights would be recognized by the Japanese and assured me that in any case where American rights were questioned this office would be notified before any action would be taken. He stated further that he expected to stay in Swatow only a few weeks and would be replaced by another consular official upon his departure. It is apparent that his work is chiefly to organize places occupied by the Japanese as he told me he was the first Japanese consular officer

in

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

-7-

both Canton and Hoihow after the Japanese occupation of these cities. He has proved to be of great assistance to this office in many ways since the occupation of the city. While he mentioned the likelihood of a local civil government being established in the near future, at the end of the month nothing concrete had taken form in this regard and the city remains in the control of the military authorities.

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

CROSS-REFERENCE FILE

NOTE

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

For the original paper from which reference is taken

See Memorandum
(Despatch, telegram, instruction, letter, etc.) **State Department
Far Eastern Div.**

Dated Aug 10, 1939 From _____
To _____

File No. 890.00/157

793.94/15310

15310-

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese relations.

Report concerning -, for month of June, 1939
in Tsingtao district.

aa

For the original paper from which reference is taken

See despatch # 426 to Embassy
(Despatch, telegram, instruction, letter, etc.)

Dated July 8, 1939 From |
To | Tsingtao (Sokobin)

File No. 893.00 P.R. Tsingtao/132

793.94 / 15311

15311 -

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

743.94

Japan

While the papers contained numerous despatches in regard to fighting of the Japanese forces in southern and central Shantung with Yu Hsueh-chung's and Shen Hung-lieh's troops, no military activity was observed in Tsingtao. There were no troop movements of the degree noted in preceding months, and while some hospital ships were observed, the absence of unusual military activity appeared somewhat striking in view of the fighting in the province. An exception may be noted in the numerous Japanese airplane flights obviously for bombing purposes.

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

CJ

TELEGRAM RECEIVED

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

Dated August 17, 1939

FROM Rec'd 4:30 p.m.

Secretary of State,
Washington.

1510, August 17, 6 p.m.



We inquired at the Foreign Office whether any official
information had been received regarding the landing of
Japanese forces at Kowloon. Chauvel said the Foreign
Office is as yet without any news. He had expected the
move as part of the present Japanese drive in South China.
The Foreign Office also anticipates that the next Japanese
landing operation will occur at Pak - Hoi on the gulf of
Tonkin which will be used as a base for an expedition to
Nanning. The objective will be the disruption of present
rail service from Nanning and the stoppage of the important
flow of material from Indo-China to the Chinese forces.

He thought also that the comparatively firm stand in
the case of the British at Tokyo had called the Japanese
bluff to terminate the negotiations but he anticipates no
happy solution of the Tientsin affair.

BULLITT

NPL:EMB

AUG 23 1939

FILED

F/FG

793.94/15312

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese relations.

Report concerning - for month of
June, 1939 in Amoy Consular District.

aa

793.94 / 15313

For the original paper from which reference is taken

See despatch #51
(Despatch, telegram, instruction, letter, etc.)

Dated July 5, 1939 From Amoy (MacVitty)
To

File No. 893.00 P.R. Amoy/141

15313

DECLASSIFIED: E.O. 11652, 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. Kulangsu Situation.

793.94
5-7

Conversations held during the last few days of May and the beginning of June between the Consular Body and the Japanese Consul General in an endeavor to amicably settle the Kulangsu incident (see this report for May, 1959) were brought to an abrupt close on June second by the action of the Japanese Consul General in reviving his demands for control of Municipal police and the appointment of three Chinese members to the Council by the Japanese sponsored government in Amoy. In renewing these demands he threatened drastic action by the Japanese if they were not accepted.

On June eighth the Municipal Council, at the suggestion of the American, British and French Consuls, sent a letter to the Japanese Consul General outlining its acceptance of the Japanese demands for cooperation in suppressing anti-Japanese activities and offering to immediately engage three Japanese constables

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

- 4 -

constables to assist in this work. It was thought that such a statement by the Council would open the way to further negotiations (see despatch No. 16 to the Embassy and 31 to the Department, dated June 28, 1939), however, immediately after receiving this letter, Mr. Uchida, the Japanese Consul General, and Rear-Admiral Yamaguchi, Aide to Vice Admiral Kondo, the Japanese Naval Commander in South China, departed for Tokyo.

Evidently, before departing for Tokyo, Rear-Admiral Yamaguchi left orders that food and fuel shipments to the International Settlement were to be prevented, for a few days after his departure this interference with food supplies became effective, and continued throughout the balance of the month. In this connection, it must be mentioned that a Japanese spokesman, (Mr. Chiba of the Japanese Foreign Office) stated in an interview that the stoppage of food and fuel supplies to Kulangsu would continue until the Municipal Council came to its senses.

Mr. Uchida returned from Tokyo on June 18, but made no effort to reopen negotiations, in fact, according to the Japanese sponsored press in Amoy, he stated that he would do nothing until the Tientsin matter had been settled.

In order to place itself on record regarding Japanese interference with food and fuel supplies, the Municipal Council made a written protest to the Japanese Consul General on June 17. This protest was followed by a joint protest by the Consular Body.

During

- 5 -

During the latter part of the month the Japanese sponsored press in Amoy carried numerous articles attacking the Kulangsu Municipal Council; in many instances charging the Council with responsibility for activities which the Japanese themselves were entirely responsible.

On June 24, a circular (see despatch No. 17 to the Embassy and 32 to the Department, dated June 26, 1939), purporting to be from a Kulangsu Committee, was distributed in the Settlement attacking the Municipal Council. This so-called Committee also addressed a letter to the Japanese Consul General along the same lines. A thorough investigation was made by the Council to locate the authors of these two letters, and after numerous inquiries among Chinese residents it was revealed that the signatories to the documents were not residents of Kulangsu and therefore they originated in Amoy under Japanese sponsorship.

While the food and fuel situation in the Settlement was precarious during the last two weeks of the month, it could hardly be called serious, as ample supplies of such essentials as flour, rice and bean cake were available, and the shops in Kulangsu had good stocks of canned goods on hand. The scarcity of fresh meat and vegetables, however, was acute.

At the end of the month the situation was still confused, and it appeared that any acceptable settlement would depend upon the outcome of the Tientsin negotiations at Tokyo.

Reference

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

- 6 -

Reference is made to the following telegrams to the Embassy and the Department: Nos. 44, 47, 48, 49, 52, 53, 54, 55, 56, 57, 58, 60, 61 and 62, dated June 3, 8, 9, 10, 15, 17, 19, 19, 20, 21, 22, 24, 26 and 28, respectively.

2. Japanese Military Activities.

Japanese aeroplanes bombed adjacent points on the mainland on June 1, 2, 3, 4, 5, 6, 7, 8, 9 and 16. During all this bombardment there were no casualties and very little property damage. On June 5, the port of Changchow (漳州) was severely bombed. According to reports from Changchow (漳州) the planes first dropped stones on trees under which the Chinese civilian population was seeking refuge, after which they flew low and machinegunned the refugees. It has been impossible to ascertain the actual number of casualties.

On June 20, the Japanese sent a number of armed trawlers close to Sung Su (嵩興), where the installations of the Asiatic Petroleum Company and the Standard-Vacuum Oil Company are located, and under cover of a continuous bombardment a naval party was landed on a small island facing the town. It was later learned that the Chinese fire was more accurate than that of the Japanese, as there were no Chinese casualties, while the Japanese sponsored press in Amoy acknowledged that eight Japanese were killed. The Japanese withdrew from the island a few hours after landing.

(c) Relations of a General International Character.

1. Relations with Great Britain.

The Japanese sponsored press in Amoy throughout 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

- 7 -

the month carried on a campaign of anti-British propaganda. Towards the end of the month the press announced the formation of an anti-British league in Amoy.

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

AC

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

Secretary of State
Washington

260, August 16, 3 p.m.

DIVISION OF
EUROPEAN AFFAIRS

TELEGRAM RECEIVED

AUG 21 1939

DEPARTMENT OF STATE

DIVISION OF
EUROPEAN AFFAIRS

AUG 18 1939

DEPARTMENT OF STATE

Dated August 16, 1939

Rec'd 7:45 p.m., 17th.

COPIES OF THIS MESSAGE
SENT TO C.E.A. AND
M.I.P. IN CONFERENCE

The Japanese have resumed mopping up operations on the Hong Kong-Kwantung frontier and their bombing of Shumchum was heard this morning in this colony. Local authorities have been anticipating further Japanese effort to close entirely the frontier in order to cut off local trade which has in recent months been approaching normal and it is thought probable that today's activity is serious beginning of that effort. Reported here but not confirmed that considerable Japanese troops are gathering all along the frontier for permanent police purposes. Closing of the frontier will cut off irregular supplies of Chinese products which have been coming into Hong Kong for export and will stop regular supplies of foodstuffs upon which Hong Kong depends more than ever since the stopping of the regular supplies from Swatow and Hainan Island in particular. There has been no confirmation so far of important casualties in the shelling and bombing of the frontier towns which has occurred today.

Repeated to Chungking, Canton, Paiping.

SOUTHARD

HPD

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793.94 / 15314

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FILED

SEP 23 1939

0753

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

(CONFIDENTIAL)

CONFIDENTIAL

PARAPHRASE

A telegram (no. 260) of August 16, 1939, from the American Consul General at Hong Kong reads substantially as follows:

In Hong Kong on the morning of August 16 was heard the bombing of Shumshau by the Japanese who are again carrying on mopping up operations on the frontier between Hong Kong and Kwangtung. So far there has been no confirmation of important casualties resulting from the bombing and shelling of the frontier towns which took place on August 16. Authorities in Hong Kong have been expecting that the Japanese would make a further attempt to close the frontier entirely so that local trade which has been nearing normal in recent months would be cut off. It is believed likely that the activity on August 16 is a serious start in this attempt. If the frontier is closed the supplies of Chinese products which have been entering Hong Kong irregularly for export will be cut off and there will be a stoppage of the foodstuffs received regularly upon which Hong Kong is more than ever dependent since the stoppage in particular of regular supplies from Hainan and Swatow. There is an unconfirmed report to the effect that Japanese troops in considerable numbers are gathering all along the frontier for permanent police duty.

793,94/15314

FE:EGG:MHP

FE

8/19

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

TELEGRAM RECEIVED

JR

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

FROM

DIVISION OF
EUROPEAN AFFAIRS
AUG 22 1939

DEPARTMENT OF STATE
Hong Kong via N. R.

Dated August 17, 1939

Rec'd 7:45 p.m.

Secretary of State, EASTERN AFFAIRS

Washington, AUG 18 1939

Department of State

262, August 17, noon.

RECEIVED IN PARAGRAPH
SENT TO C.N.I. AND
M.I.D. IN CONFERENCE

Continuing my No. 260, August 16, 3 p.m.

793.94
Qualified observers here report that Japanese
occupation of towns and places on the Hong Kong-Kwangtung
frontier from the Pearl River to Mirs Bay is apparently
being with a view to some permanence and closing of
frontier to all traffic (which in recent months has
reached almost normal volume) between this colony and
the hinterland. Observers report about 2,000 Japanese
troops strung along frontier. Chinese resistance
reported negligible and there have been comparatively
few refugees so far. Government here was previously
informed by Japanese of their intention to police
frontier and no incidents are anticipated although British
soldiers and police have been stationed all along this
side of the frontier.

Repeated to Chungking, Canton, Peiping.

SOUTHARD

DDM:HTM

793.94/15315

AUG 26 1939

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

(CONFIDENTIAL)

CONFIDENTIAL

PARAPHRASE

A telegram (no. 262) of August 17, 1939, from the American Consul General at Hong Kong reads substantially as follows:

Apparently the Japanese are occupying towns and points along the border between Hong Kong and Kwangtung from the Pearl River to Wai Bay with a view to remaining more or less permanently and shutting off along the frontier all traffic between Hong Kong and the interior, according to information received from qualified observers in Hong Kong. (In recent months the volume of this traffic has been almost normal.) The Japanese previously informed the Government of Hong Kong that they intended to police the frontier and, although British police and soldiers have been placed all along the Hong Kong side of the frontier, it is not expected that there will be any incidents. Approximately two thousand Japanese soldiers are scattered along the frontier, according to observers. So far the number of refugees has been comparatively small and it is reported that the Chinese are offering negligible resistance.

793.94/15315

793.94/15315

FE:EGG:MHP

FE

8/19

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

TELEGRAM RECEIVED

CA

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

FROM HONG KONG VIA N R

Dated August 21, 1939

Rec'd 8 p.m.

Secretary of State

Washington

No. 267

August 21, 4 p.m.

In continuation of my telegram No. 262, on the subject of Japanese occupation of Hong Kong-Kwangtung frontier, I now have reliable information that frontier is being intensively policed by increasing numbers of Japanese troops from Namtau on Pearl River to Shataukok on Mirs Bay. Majority of troops appear to be Formosans and a few hundred Japanese cavalry have been observed. Commencing yesterday there is fairly strict Japanese control of Chinese crossing the frontier and at least three peasants are reported to have been shot in attempting to cross with produce for sale. Reports in Hong Kong indicate that the Chief of Hong Kong Department of the Peace Maintenance Commission at Canton announced there on Saturday that unless Britain discontinues aid to Chiang Kai Shek the organization of an anti-British movement in South China is inevitable and that isolation of Hong Kong by Japanese forces will also be inevitable. From the same sources charges are made that British have

permitted

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793.94/15316

F/FG

CA

--2--from Hong Kong, Aug 21, 4 p.m..

permitted traffic of military supplies over the frontier at Shataukok to Tamshui via a well organized motor truck service. Local authorities assume outward attitude of indifference to these threats but there is reason to believe that actually they are somewhat concerned. Chinese sources in Hong Kong insist that the Japanese are endeavoring through Chinese puppets to build up a movement at Shumchun on the frontier for purposes of holding meetings and ~~parades~~ ^{parades} processions with banners demanding return to China of this colony's so called "leased territories". Local authorities do not confirm this but appear inclined to believe it may have some basis of fact.

Repeated to Chungking, Canton, Peiping.

SOUTHARD

EMB NPL

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

(CONFIDENTIAL)

PARAPHRASE

A telegram of August 21, 1939, from the American Consul General at Hong Kong reads substantially as follows:

According to reliable information, increasing numbers of Japanese soldiers, the most of whom seem to be Formosans with a few hundred Japanese cavalry, are intensively policing the Hong Kong-Kwangtung frontier from Nantau on the Pearl River to Shataukok on Mira Bay. A rather strict control by Japanese of Chinese crossing the frontier began on August 20 and it is reported that while trying to cross the frontier with produce for sale at least three Chinese peasants were shot. There are reports in Hong Kong to the effect that on August 19 announcement was made in Canton by the Chief of Hong Kong Department of the Peace Maintenance Commission at Canton that unless Great Britain ceases to give assistance to General Chiang Kai-shek it is inevitable that the Japanese will isolate Hong Kong and that an anti-British movement will be organized in South China. It is charged in the same quarters that the British have allowed military supplies to be carried over the frontier at Shataukok to Tamshui by means of a motor truck service which is well organized. There is reason for the belief that the Hong Kong authorities are rather concerned over these threats although outwardly they appear indifferent. Authorities in Hong Kong seem inclined to think there may be some basis of fact for but they do not confirm

0759

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-

confirm a report from Chinese sources that an effort is being made by the Japanese to organize a movement at Shumohun on the frontier with the object of holding meetings and having processions with banners demanding that Hong Kong's so-called leased territories be returned to China.

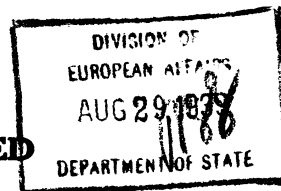
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FE

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



TELEGRAM RECEIVED

JR

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

Hong Kong via N. R.

FROM Dated August 22, 1939

Rec'd 5 a.m.

Secretary of State

Washington. *file*

PRIORITY. *W*

269, August 22, 11 a.m. (SECTION ONE).

In continuation of my telegram No. 267 about

Japanese occupation of Hong Kong-Kwangtung frontier, this office has information from competent sources to the effect that for the three days including yesterday approximately 15,000 Japanese troops have landed in Chinese territory adjacent to the Hong Kong frontier. They are well equipped including light tanks and some field guns of fair size.

Military opinion here is that possibly 3000 troops will remain along frontier and that majority of forces will advance up the railway to Sheklung and to Waichow for purpose of major campaign against Chinese forces in the area north of Canton and Swatow with a view to consolidating Japanese control of Canton-Hankow railway. Another possible object of landing of these considerable forces is to prepare airfield not far inland from the Hong Kong frontier from which to harass commercial air services between this city and interior and another object is

thought

793.94/15317

F/FG

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

-2- #269, August 22, 11 a.m., (SECTION ONE) from Hong Kong.

thought by some observers to be to conduct a "war of
nerves" against Hong. Kong.

SOUTHARD

KLP

176
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

EDA

FROM

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

HONG KONG VIA N.R.

Dated August 22, 1939

Received 8:20 a.m.

Secretary of State

Washington

269, August 22, 11 a.m. (SECTION TWO).

British staff officers and Japanese have journeyed
together along frontier at the request of the Japanese
to confirm the boundary ^{marking} ~~before it is made public~~.
British troops patrolling frontier are from Rajputana
rifles and Middlesex regiments. There appears no doubt
that authorities here are concerned as to potentialities
of the situation because there are evident preparations
for strengthening pillbox and machine gun emplacements
and emergency distribution of various supplies including
ammunition. There has been some antiaircraft gun practice
and speeding up of expansion (with conscripts) of Hong
Kong volunteer defense force for possible active service.
Official plans for evacuation of civilians are being
confidentially reviewed and a volunteer fire fighting
brigade is being organized. British gunboats or des-
troyers have been assigned to patrol duty in waters at
each end of frontier.

It is

176
DECLASSIFIED: E.O. 11652, 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 - #269, August 22, 11 a.m. from Hong Kong
Section two

It is possible that these various official activities are more a drill in line with the standardized precautions long ago planned than because of any feared immediate attack. The local public is more apprehensive than it has been for many months past but that is thought to have no special significance as indicating imminence of development of dangerous situation.

Repeated to Chungking, Canton, Peiping.

SOUTHEARD

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

Confidential

PARAPHRASE

A telegram (no. 269) of August 22, 1939, from the American Consul General at Hong Kong reads substantially as follows:

According to information received from reliable sources, about 15,000 Japanese troops, well equipped with light tanks and some fair-sized field guns, have landed in Chinese territory bordering on the Hong Kong frontier during the period August 19 to August 21, inclusive. Perhaps 3000 troops will stay on the frontier and the majority will go up the railway to Waichow and Sheklung to conduct a major campaign against the Chinese in the region north of Canton and Swatow with the object of consolidating Japanese control of the Canton-Hankow Railway, in the opinion of military observers in Hong Kong. Some observers think that another reason for the landing of these rather large numbers of troops is to carry on a war of nerves against Hong Kong; another possible reason is to make ready not far inland from Hong Kong an airfield from which to harry commercial air service between Hong Kong and the interior.

In order to confirm the boundary before it is made public, British staff officers and Japanese have, at the request of the Japanese, traveled along the frontier together. British troops from the Rajputana rifles and

Middlesex

DECLASSIFIED: E.O. 11652, 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-

Middlesex regiments are patrolling the frontier. Authorities in Hong Kong seem beyond doubt to be anxious in regard to the potentialities of the situation. British destroyers or gunboats have been given patrol duty in waters at each end of the frontier; expansion (with conscripts) of the Hong Kong volunteer defense force for possible active service has been speeded up; there has been some anti-aircraft gun practice; some preparations are in evidence for emergency distribution of ammunition and various supplies and for the strengthening of machine-gun and pillbox emplacements. A volunteer fire-fighting brigade is being organized and a confidential review is being made of official plans for evacuation of civilians. These various official activities may possibly be not so much the result of fear of immediate attack as a drill in line with the standardized precautions planned a long time ago. The public in Hong Kong displays greater apprehension than it has for a number of months past. It is not believed, however, that this is especially significant as indicating that a dangerous situation is about to develop.

793.94/15317

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 31, 1939

~~LES~~
JWB

Tokyo's despatch no. 4054, July 31, 1939, encloses copies of translations by K. and L. W. Bush of two Japanese war novels entitled Mud and Soldiers, and Barley and Soldiers, both written by Corporal Ashinei Hino, a novelist engaged in the hostilities in China. Both novels, written in the form of a diary, are descriptive of the experiences and sentiments of Japanese soldiers engaged in the China campaign. Although they describe something of the horrors of the fighting in China, neither can be considered as opposed to the conduct of hostilities, an explanation of the fact that their sale has not been suppressed.

In Mud and Soldiers, Hino tells of his reactions to going under fire for the first time, of the sufferings of his comrades, and of his keen sense of duty to his Emperor and to Japan. While his writing has doubtless been heavily censored there are occasional slips such as "None of us was deceived into believing that because they (Chinese villagers) carried Japanese flags they welcomed us to their country". (page 94). For an earthy description of a soldier's ablutions see page 129. In commenting upon captured Chinese emerging from a pillbox he commented "There was no denying that they looked so much like us Japanese, and

this

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

this fact caused me to feel an intense chagrin". (page 143) He recognized that the Chinese too had their ideals for which they were fighting. (page 147). He likened Japanese soldiers under fire to "chrysanthemum dolls" because of their custom of bedecking themselves with flowers for camouflage. (P.154)

Barley and Soldiers is similar in subject matter and style to Mud and Soldiers. It is noteworthy that both novels have enjoyed a sale in Japan which has made their author the most popular writer in Japan today.

FE:Warner:MHP

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

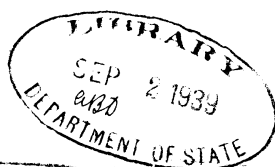
AMERICAN EMBASSY

No. 4054.

Tokyo, July 31, 1939.

SUBJECT: JAPANESE WAR NOVELS.

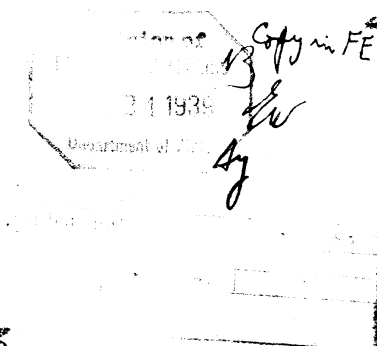
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to LC

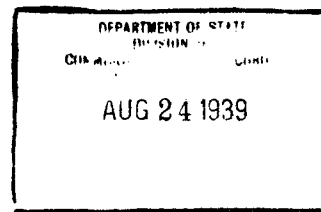
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WB

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with



793.94/15318

The Honorable
The Secretary of State,
Washington.



Sir:

The Department may be interested in noting the enclosed copies of translations by K. and L.W. Bush of two Japanese novels under the titles MUD AND SOLDIERS and BARLEY AND SOLDIERS. These two books, both by Ashihei Hino, who is a novelist and has been engaged in the hostilities in China, purport to be descriptive of the experience and sentiments of Japanese soldiers engaged in the campaign.

Another translation, chiefly from the latter book, has recently been published in the United States by Farrar and Rinehart under the title WHEAT AND SOLDIERS, and is the work of Baroness Shidzue Ishimoto. Baroness Ishimoto's translation has been done with greater freedom and greater interest and literary style.

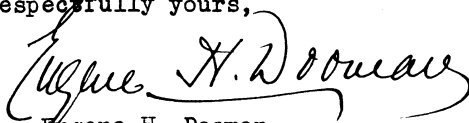
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

Although Ashihei Hino's novels describe something of the horrors of the fighting in China, it is noteworthy that they cannot in any way be considered as opposed to the continued conduct of the hostilities. This is no doubt the explanation for the fact that their sale has not been suppressed.

Respectfully yours,



Eugene H. Dooman
Chargé d'Affaires a.i.

Enclosures:

- 1/ MUD AND SOLDIERS, by Ashihei Hino, translated by K. & L.W. Bush, Tokyo, 1939. (Two copies).
- 2/ BARLEY AND SOLDIERS, by Ashihei Hino, translated by K. & L. W. Bush, Tokyo, 1939. (Two copies).

020.
CC:g

1 copy of each
encl. filed in DER.
Overflow JWP
12-6-79

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

August 28, 1939

~~ESS~~
~~JWB~~

Tokyo's despatch no. 4053, July 31, 1939, reports that the Japanese War Department pamphlet issued on July 7, 1939 was of less interest than previous issues in the series.

The chief points of the pamphlet are covered in the press clipping transmitted as an enclosure to the despatch, and except for the statement that the task of constructing a new order in East Asia may possibly require fifty to one hundred or more years, no other points of interest are noted.

793.94/15319

FE:Warner:MHP

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

No. 4053.

Tokyo, July 31, 1939.

SUBJECT: WAR OFFICE PAMPHLET.

COMMUNICATIONS
SECTION

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Grade		For Distribution	
Per		1-100	
		1-100	

ONI-MID

The Honorable

The Secretary of State,
Washington.

Sir:

793.94

In reference to despatches with regard to pamphlets published and widely distributed by the Japanese War Department, I have the honor to report that another pamphlet in the series was issued on the second anniversary, July 7, 1939, of the commencement of the present hostilities in China.

The pamphlet has generally less interest than previous issues in the series except for the fact that it bluntly states that the task of constructing a new order in East Asia may possibly require fifty to one hundred or more years.

A

793.94/15319

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/ A press clipping descriptive of chief points in the
pamphlet is enclosed.

Respectfully yours,


- Eugene H. Dooman
Chargé d'Affaires a.i.

✓
Enclosure:

1/ Clipping, "Pamphlet to Stir Spirit of Public,"
JAPAN ADVERTISER, June 13, 1939.

800.
CC:g

0773

DECLASSIFIED: E.O. 11652, 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. 4053, dated July 31, 1939.
from the Embassy at Tokyo.

The Japan Advertiser.

Tokyo, Tuesday, June 13, 1939.

PAMPHLET TO STIR SPIRIT OF PUBLIC

500,000 Booklets Will Be Dis-
tributed by Army on Second
Anniversary of Incident

NATIONAL UNITY STRESSED

People Warned to Prepare for
East Asia Task Taking Pos-
sibly 50 or 100 Years

To give the nation a comprehensive understanding of the objectives and the results of the China fighting, the army on July 7, second anniversary of the outbreak of the incident, will distribute 500,000 pamphlets entitled To the Fighters of the Total National Strength War, according to Domei.

The final draft of the 116-page pamphlet was completed by the army yesterday. When printed and bound, it will be distributed to all Government offices, local garrisons, schools, patriotic societies, young mens associations and factories employing more than 20 workers. The army also will distribute 40,000 posters and 200,000 picture post cards to stimulate public spirit.

The pamphlet is divided into the following five sections: Preface, The Real Significance of the China Incident, the Future of the China Incident, Strengthening of the Total National Strength War System, and Conclusion.

The essential points, taken from the last three sections, are as follows:

Objectives Listed

"The objective of China in fighting Japan now is to continue the warfare by guerilla tactics and to bring Japan to exhaustion through interference by third Powers, taking advantage of economic fatigue, relaxation in the national spirit and ideological fission. Thus the war will drag on and the total strength of the nation must be enlisted in combatting these tactics. The total strength of the nation must be bent in the following directions:

"1. Armed warfare to crush the Chinese army and to clear rejuvenated areas of remnants of defeated Chinese units, bandits and Communist guerilla bands so as to establish peace and order in these areas.

"2. Ideological warfare in which the Japanese spirit is to be promoted, the whole nation united in one thought to fight the holy war to a finish to eject

the Ideological invasion of foreign Powers and to expel Communism, Individualism and Liberalism from China for the enhancement of East Asiatic thought, centering on the Japanese spirit.

"3. Diplomatic warfare, in which the anti-Comintern axis is to be strengthened the world over, and the construction of a new order in East Asia is to be accepted by China and third Powers.

Pressure Must Be Met

4. Economic warfare to crush the resistance of China to overcome the economic pressure being exercised on Japan by third Powers, and to develop the great economic strength of the Empire for the completion of a great East Asiatic economic combination.

"So long as third Powers continue to support China and no unexpected events break out, several years will be required merely to make the first step for the political, economic and cultural construction of China. In order to achieve the great task of constructing a new order in East Asia we must be prepared to take 50 even 100 years.

"From the standpoint of total national strength warfare, men and materials must be mobilized in toto and must continue to fight over long periods. Some 100,000,000 Japanese and their wealth are to be appropriately used in this warfare. Also some 50,000,000 Manchurians and their wealth are participating in this warfare. Not only Japan and Manchukuo, but the rejuvenated areas of China are joining the bloc in this warfare. All the accumulated evils of long years are to be eliminated and a new order and racial revival are to be brought about. The work may take generations.

All Must Take Part

"The people of Japan are all fighters of this total national strength war. Officers and men, of course, and officials, statesmen, scholars, educators, agricultural, industrial and commercial workers, the young, old men and women are such fighters. What should they do? Just one thing. Do their respective duties in the spirit of self-abnegation in public service. The war is an ordeal of unprecedented magnitude, being imposed on the Japanese race. But it is an ordeal that promises a dazzling future. The achievement of the great task before us will make the great family of East Asiatic nations the world's stabilizing force and donors of peace and civilization to mankind.

"If the real significance of the China incident is recognized clearly and the future looked squarely in the face, the situation will be found to be of the gravest. Not a moment of idle ease, based on a mistaken concept of the current situation can be permitted. No excursion from the line of national policy attempted from the standpoints of individualism or Liberalism can be permitted. The Government and people must join their efforts to push the heavy wagon up the steep and long hill."


DECLASSIFIED: E.O. 11652, 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

September 1, 1939.

~~FILED~~
~~JWS~~

Tokyo's despatch no. 4062 of August 3, 1939, reviews the Japanese view of Japan's exploitation of north, central, and south China. The Japanese view, as reported by the Embassy, appears not to take into account many of the obstacles which exist in the occupied areas of China to slow up that exploitation. The views are not new to the Division. It is, however, of interest to note in south China it appears that the Japanese wish for the moment to leave the situation as it is, in a military stalemate, hoping that various Chinese factions will declare themselves independent of Chiang Kai-shek and will eventually cooperate with Japan.


FE:Warner:JPS

DECLASSIFIED: E.O. 11652, 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

OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS
SEP - 2 1939
DEPARTMENT OF STATE

No. 4062

AMERICAN EMBASSY

Tokyo, August 3, 1939

SUBJECT: JAPANESE ASSESSMENTS OF POLITICAL AND
ECONOMIC ACCOMPLISHMENTS IN CHINA

2 Copy - F.E.

RECEIVED
DEPARTMENT OF STATE

DATE	Y	N
AUG 24 1939		
Department of State		

ONI MID

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

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to refer to Mr. Grew's despatch
no. 3827 of April 13, 1939, in regard to Japanese plans
for the exploitation of China, and to review certain con-
siderations which appear to the Japanese to be determining
the tempo, scale, and prospects of success of their plans
for that area.

The China problem as it exists for the Japanese today
may be conveniently divided into three parts: North and
Central China where the major military campaigns are at
an end and "puppet" governments have been established,
and South China where the military situation has staled
without having proceeded to a point where the

Japanese

793.94/15320

F/A

FILED

SEP 12 1939

ASSISTANT SECRETARY
FOR ASIAN AFFAIRS
SEP 12 1939

- 2 -

Japanese may be said to be in control, but where dispersed local régimes have been set up under direct Japanese military authority. The Japanese are fully cognizant of the fact that, until a central government has been formed which is in a position to control and have the support of a greater portion of the Chinese population than at present obtains, they must be content to operate through and within the range of the authority of these local régimes which they have established in various parts of China. Any hopes which may have been harbored that the partial subjugation of the Chiang Kai Shek régime would bring in its wake a spontaneous movement among the Chinese for a new government favorable to Japan seem to have been long since dispelled.

NORTH CHINA

In North China, aside from the institution of the "Provisional Government of the Chinese Republic" which has been and can only be regarded as a temporary expedient, the Japanese have laid great store in the HSING MIN HUI or New People's Association organized by them simultaneously with the North China régime. Under the direction of this Association young men are selected from rural districts, attempts are made to inculcate in them a feeling of loyalty to the new régime and to convince them of the benefits of Sino-Japanese cooperation, and they are returned to their native places for the purpose of forming vigilance committees and engaging in reconstruction work. In the latter particular emphasis

has

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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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has been laid on the creation of agricultural cooperatives congenial to the Chinese way of life which may serve as focal points for the spread of political thought more conducive to Japanese overlordship.

In the economic field the primary consideration has been and still is the acquisition of the monetary wealth of North China through the substitution of a new currency, in this instance, the Federal Reserve Notes, for the currency of the Chinese National Government. The Japanese have become increasingly aware that unless this aim can be accomplished no progress can be effected towards making North China a paying concern. In the accomplishment of this objective they see two obstacles standing in their way - guerilla warfare, which limits the area in which their currency may circulate, and the Concessions at Tientsin. The one obstacle they hope to overcome by military force with the passage of time, the other, through agreement with the British in the conversations now being held in Tokyo. Linked with the currency question and regarded by the Japanese as of equal importance is the institution of a system of trade control, originally begun in March of this year, to apply to 12 of the principal commodities of trade in North China and eventually to extend to every item of commerce in that area. Of significance in supplementing and complementing these measures is the North China Development Company (HOKUSHI KAIHATSU KAISHA) established late in 1938 for the express purpose of initiating and controlling all Japanese economic development in North China. (A detailed discussion of

the

- 4 -

the activities and plans of this company may be found in the Embassy's despatch under reference). As part of the panoply of government for the promotion of Japanese policy in North China there should also be mentioned the Sino-Japanese Economic Commission established early in 1938 ostensibly for the purpose of passing upon and instituting measures for the economic development of North China. It would not be too much to say that the Japanese themselves expect little or nothing from this institution, regarding it in the light it was created, a convenient fiction of Sino-Japanese cooperation.

In discussing the economic possibilities of North China the Japanese in control of policy there recognize that North China is essentially an agricultural country and that economic returns from that area are predicated upon a sound agricultural prosperity. At the same time the Japanese are inclined to lay undue emphasis on the cotton-growing possibilities of North China to the exclusion of customary North China field crops. They find little that is heartening in the limited yields of this crop during 1937 and 1938, the poor results in the former year being attributed to floods, and in the latter due to disturbed conditions in the producing areas caused by guerilla raids, and to general lack of transportation facilities. Given a moderate amount of stability in the political situation, the prospect of a greatly improved return from agricultural enterprise is viewed more or less optimistically. The admission is general, however, that

any

- 5 -

any return to normalcy must await the extermination of the guerillas, communist bands, and Chinese regulars still rampant in North China, a task which is expected to be taken up with renewed vigor through the stationing of more Japanese garrisons in important localities, the formation of a greater number of vigilance committees, such as were alluded to above, and the augmentation of Chinese police and military forces under Japanese direction.

The restoration of communication facilities, particularly along the Tientsin-Pukow route and the Shantung Railway, is looked upon not only with considerable pride but as a sound augury for the future. The problem of the revival of river transportation in North China is not viewed with the same degree of sanguineness, however.

It has become increasingly evident to the Japanese that any permanent control of China must be founded upon cultural understanding between the Japanese and the Chinese. Efforts in this direction already undertaken include the introduction of Japanese-edited textbooks, the reopening of Chinese higher educational institutions, the suppression of anti-Japanese publications and the establishment of Japanese-controlled newspapers, the control both in its positive and negative aspects of radio broadcasting, the distribution of motion picture propaganda, and the like. There has been the feeling at the same time that this is not enough and that greater numbers of Japanese intellectual leaders must pledge themselves to the task of making Chinese young and old understand Japan's

"sincerity"

- 6 -

"sincerity". In recent months this has taken the form of drafting large numbers of university professors for occasional visits to and work in Peiping. The information which these men have brought back to Japan has tended to dispel any false hopes which the Japanese populace at large may have had in regard to Sino-Japanese cultural cooperation.

CENTRAL CHINA

For the Japanese purposes Central China is regarded as consisting of the seven provinces of Szechwan, Hunan, Hupei, Kiangsi, Anhui, Kiangsu, and Chekiang, an area of roughly 1,300,000 square kilometers, containing some 200,000,000 people. The Japanese government has admitted to its people that although intensive military operations have been and still are being carried out in all seven of these provinces, only three can be said to be under any measure of Japanese military control, namely Kiangsu, Chekiang, and Anhui, covering an area of but 350,000 square kilometers and having only a population of about 70,000,000, at best a third of Central China.

For this area the "Reformed Government" with headquarters at Nanking must act as a nucleus of government until such time as a central government for all of China can be brought into existence. While the Japanese are cognizant of the fact that the government they have set up in Central China consists of only second- and third-rate men and does not have the support of the Chinese populace at large, they are still hopeful that this is

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

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but a temporary phase and that the appearance of a new central government will solve forthwith all the problems arising in connection therewith. The outline of the Nanking government as well as that of Peiping is already familiar and need not be reiterated here. The two principal departments of government in the Nanking régime, that of Home Affairs and Welfare, still operate, the Japanese admit, largely as military organs. A judicial system even in the Oriental sense, needless to say, could not and does not exist under such conditions although some attempt has been made to provide the rudimentary outlines of police administration. As an extra-legal police arm of the government the Japanese seem to place a great deal of reliance upon and hope in the SUICHING TUI or Welfare Corps, an organization of Chinese mercenaries outfitted and directed by the Special Service Section of the Japanese Army in China. Vigilance committees, likewise, have been organized as rapidly as possible in areas where military control has become relatively secure.

While voluminous regulations in regard to educational measures have been issued, little progress has been made beyond the paper stage. Measures for economic reconstruction are a little more concrete. Here as with North China the fact is recognized that restoration of communications to something approaching normalcy must precede any real economic stability. The maintenance of regular freight and passenger schedules on the

Peiping

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

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Peiping-Pukow-Nanking-Shanghai railway, the Shanghai-Hangchow line, and the Suchow-Kashing railway are felt by the Japanese to have accomplished much in this direction. Similarly the efforts of the Shanghai River Steamship Company, organized in July, 1938, to restore Yangtze river transport to a normal state under Japanese control are a source of pride. The inauguration of bus services in the large cities of Central China and the opening of a regular air service between Shanghai, Nanking, and North China must also be included in any Japanese appraisal of their achievements in that area. Likewise, the rapid restoration of postal and telegraph service should be cited.

Currency problems and financial problems in general in Central China have been viewed by the Japanese in somewhat different light than those of North China, possibly because of the exigencies of the political situation there. The introduction of the Hua Hsin currency was intended, it is clear, to accomplish a purpose similar to that of the Federal Reserve Bank notes in North China, to drive out the Chinese National Currency. This process, unlike that of North China, is not viewed as one of compelling urgency, the Japanese being of the opinion apparently that the success of their measures in Central China does not depend directly upon it, and that the problem can be held in abeyance pending a further clarification of the political and military situation in that area. The problem of finances for the new Régime is

likewise

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

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likewise regarded in the same light. Japanese estimates, issued under the authority of the Japanese government, of the financial status of the Nanking régime continue to include as their principal source of income the customs revenues deposited in the Yokohama Specie Bank by virtue of the Anglo-Japanese customs agreement of May, 1938, in fact expenditures are consistently linked to this revenue. There is little doubt that the Japanese regard this revenue as belonging to them and that they will, as soon as opportunity affords, attempt to destroy the fiction that it is being held in escrow. The fountain-head of economic reconstruction in Central China is regarded by the Japanese as lying in the Central China Promotion Company (Chushi Shinko Kaisha), a holding company operating through various subsidiaries, outlines of the activities of which were provided in the Embassy's despatch referred to above. There is no evidence at hand to indicate that the operations of these companies are unsatisfactory or that the Japanese contemplate any change at this time in the method chosen of exploiting Central China.

SOUTH CHINA

Japanese ideas with regard to South China are by no means as clear-cut or complete as they are in relation to North and Central China. This may be explained in part by the fact that their historical contact has been recent and limited in scope and partly from the exigencies of the military situation. South China in Japanese eyes

consists

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

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consists of the Provinces of Kwangtung, Kweichow, Kwangsi, Yunnan, and Fukien. Due to strategic or other considerations only a small part of this area, principally the sea-ports and some of the more important towns, has fallen into Japanese hands. Wherever the Japanese military authorities have come into control, however, the familiar pattern of Japanese aggrandizement has been followed, albeit on a smaller scale: first, an elaborate celebration under Japanese military auspices in which the local Chinese declare their independence of the Chiang régime and adherence to the ideal of Sino-Japanese cooperation, then the hasty erection of a puppet régime composed of venal Chinese politicians, and finally the institution of measures designed to ensure that all trade and industry will flow through and into Japanese hands. Precisely what ambitions the Japanese have in South China it is difficult to discern. It appears that they wish for the moment to leave the situation as it is, in a military stalemate, in the hope that the various parts of South China will declare themselves independent of the ever-weakening Chiang régime and will eventually assume an attitude of cooperation with Japan. It should be noted that much of the military activity in South China has been the work of the Japanese Navy which apparently has set aside that part of China as a preserve for the working out of its own political and economic ambitions. Indeed the supreme Japanese organ for the

direction


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

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direction of economic activity in China, the Asia Promotion Board, has its South China branch at Amoy headed by a naval officer. There is little doubt that the Navy regard the many ports of South China and the Island of Hainan as convenient jumping-off places for the prosecution of what is vaguely described as the SOUTHWARD ADVANCE policy. The Embassy will endeavor to prepare a separate despatch at an early date covering what appear to be new phases of this policy.

Respectfully yours,


Eugene H. Dooman
Charge d'Affaires ad interim

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FAS:hjs

Copy to Embassy, Chungking.
Copy to Embassy, Peiping.
Copy to Consulate General, Shanghai.

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

15717 *FE*

TELEGRAM RECEIVED

CA

FROM

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

SHANGHAI

Dated August 24, 1939

Rec'd 1:15 a.m.

Secretary of State
Washington

CA
flen
FAR EASTERN AFFAIRS

AUG 24 1939

Department of State

IN CONFERENCE

793.94
843102
Shanghai
766, August 24, 11 a.m.

From a reputable source I learn quite confidentially
that 6,000 troops arrived yesterday, but that planned blockade
of the International Settlement of Shanghai has been held up
under instructions from Tokyo on account of the international
situation and that the military are disgruntled at these
orders.

GAUSS

CFW CA

793.94/15321

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

(CONFIDENTIAL)

15718

CONFIDENTIAL

PARAPHRASE

A telegram (no. 786) of August 24, 1939, from the American Consul General at Shanghai reads substantially as follows:

On August 23, six thousand troops arrived in Shanghai but because of the international situation the contemplated blockade of the International Settlement has been postponed under instructions from Tokyo. These orders have put the Japanese military in a bad humor. The above information was received by the American Consul General quite confidentially from a reliable source.

793.94/15321

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8/25/39

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

LEGAL ADVISER

OCT 5 1939

DEPARTMENT OF STATE

ML

TELEGRAM RECEIVED

This message must be closely
paraphrased before being com- Swatow
municated to anyone. (br)

FROM Dated August 23, 1939
Rec'd 12:15 a.m.

Secretary of State
Washington

55, August 23, noon.

Referring to the Department's telegram No. 9, August 18,
6 p. m.

The place reported on is probably P'ao T'ai, a small
town about 15 miles northwest of Swatow on the river halfway
to Kityang. I am endeavoring to obtain definite information
regarding the bombing of mission property from the secretary
American Baptist Mission in Swatow and also through Linen
contractors. I shall report as soon as the desired informa-
tion has been obtained.

Repeated to Peiping.

YOUNG

PEG:KLP

MR. GRAD

OCT 5 1939

FILED

793.94/15322

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

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Br
NAVAL RADIO
PLAIN

1939 OCT 4 PM 1 57

Washington,
October 4, 1939

3 pm

AMEMBASSY,

PEIPING (CHINA). via n.R.

215

Swatow/s, 55, August 23, noon.

✓ Please request Swatow to report by radio whether
it has been possible to obtain any further information in
this matter.

Sent to Peiping.

Hull
(7.7/4.)

793.94/15322

OCT 4 1939 PM

793.94/15322

FE:GA:HJN

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 60

1-1462 U. S. GOVERNMENT PRINTING OFFICE

F/FG

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Relations between China and Japan. Conversation with Lieutenant Colonel Pai-chen Wang, Military Attache to the Chinese Embassy in Moscow, who said that responsible Chinese leaders entertain no illusions as to real aims of the Soviet Union, namely "to render no more assistance to China than is sufficient to enable it to continue war with Japan".

793.94/15323

For the original paper from which reference is taken

See Des. #2517
(Despatch, telegram, instruction, letter, etc.)

Dated July 27, 1939 From U.S.S.R. (Grunmon)
To

File No. 761.93/1666

15323

7 / 9
DECLASSIFIED: E.O. 11652, 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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict.

Announcement of German-Russian pact had so affected the Japanese and Chinese
that perhaps a peace might be worked out in the Far East.

For the original paper from which reference is taken

See Tel. #1221, 8pm.
(Despatch, telegram, instruction, letter, etc.)

Dated August 23, 1939. From Great Britain (Kennedy)
To

File No. 760c.62/942

793.94 / 15324

Confidential File

15324

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

No. 620.

RE Copy for the Department
AUG 26 1939
DIVISION OF
AMERICAN CONSULATE GENERAL
Hankow, China, July 19, 1939
ADVISER ON POLITICAL RELATIONS
MR. HORNBECK
SEP 2 - 1939
DEPARTMENT OF STATE

CONFIDENTIAL

Subject: Discontent Among Japanese Troops *in confidence 8/2*
in Central China.

The Honorable Nelson Trusler Johnson
American Ambassador,
Chungking, Szechuan.

Sir:

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With reference to my telegram No. 148 of June 29,
4 p.m., I have the honor to enclose summaries of reports
received by this office of alleged discontent in the
Japanese Army in Central China.

These reports are from usually well-informed
sources but are unconfirmed by first-hand observation
on the part of the informants. This office views the
information received with reserve, withholding judgment
on its authenticity. Some of the statements would seem
to be obviously exaggerated. They are nevertheless
repeated along with the more plausible information in
the belief that the Embassy may wish to have all of the
information received on which it may base its own
conclusions.

The reports were, as received, passed on to the
United States Navy station ship at Hankow. Similar
information in the possession of the Navy, therefore,
duplicates rather than substantiates the reports
received by this office.

The

793.94/15025

F/HG
OCT 1 1939

DECLASSIFIED: E.O. 11652, 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 statement closest to a direct corroboration of the enclosed reports was one made on June 15, by a member of the Japanese armed forces known to this office. He said to a national of one of the Rome-Berlin Axis powers that the most serious problem facing the Japanese military authorities in this area is that their troops are refusing to fight. He had earlier the same day admitted to a national of one of the so-called democratic powers that the situation was "very serious".

Against the background of the conventional concept of the Japanese soldier - fanatically patriotic, patient under great hardship, and blindly obedient to command - the discontent and insubordination pictured in the enclosed reports are not easy to credit.

It would be unreal, however, and an attribution to the Japanese soldier of sub-human qualities to suggest that he had not been affected by a number of strong modifying factors. They are: (1) protracted hostilities, (2) an inconclusive type of warfare, (3) filthy living conditions and summer diseases, (4) home-sickness, accentuated by the foregoing three factors, (5) the serious reverses met in May in the Hupeh-Honan border and Han River areas, with possibly resultant doubts in his own mind as to the invincible qualities of his army.

The defeats suffered by the Japanese in May are believed by competent neutral observers here to have appreciably affected morale. Several accounts of Japanese officers and soldiers expressing discouragement and pessimism came to the attention of this office following the May reverses. A Japanese officer, for example, using broken Chinese voiced to a German his

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

-3-

opinion of the future of Japan's military venture in China, saying, "Little by little, gradually it will greatly fail" (小小的慢慢的大的不行).

It is the strong influences listed above modifying the original temper and morale of the Japanese soldier in China and a few guarded admissions of pessimism or discontent that cause this office to view the enclosed reports as having some possible basis in fact.

None of the reports, it will be observed, suggests that there has been mutiny in the sense of troops revolting and killing their officers. The impression given is rather that of men and officers in the field or those ordered to the field refusing to obey orders from headquarters to resume the offensive. The suggestion is that the unrest was more in the nature of a passive sit-down strike than violent mutiny.

The crisis is now apparently passed, at least for the time being. It would seem to have been resolved by transfer of recalcitrant units, exhortations, compromise and possibly extra pay for the divisions* in which there was said to be disaffection.

Respectfully yours,

R. Y. Jarvis
Consul

Original to Chungking,
5 copies to the Department,
1 copy to Embassy, Peiping,
1 copy to Embassy, Tokyo,
1 copy to Consulate General, Shanghai.

* The 11th, 12th and 13th divisions were reported to have been affected. It is understood that difficulties were experienced with the 11th division following the 1937 Hangchow Bay operations when that unit was returned to Japan for a short period.

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JD/RMC

DECLASSIFIED: E.O. 11652, 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. 620, dated July 19, 1939,
 from Mr. R. Y. Jarvis, American Consul at Hankow, China,
 on the subject of "Discontent Among Japanese Troops in
 Central China."

Substance of Reports received by American Consulate
 General Concerning Dissatisfaction in Japanese Army in
 Central China.

Dates refer to the action taking place, not the receipt
 of the report:

May 25 -- An unknown number of Japanese soldiers at
 Hsuehiapeng (suburb of Wuchang on the Yangtze opposite
 Hankow) became unruly. The unrest was subdued.

On or about May 31 -- An unknown number of Japanese
 troops at Hankow refused to proceed to the "front". They
 were moved to Hanyang for disciplinary action.

On or about June 1 -- The Kobayashi detachment in the
 country east of Tingszechiao on the Canton-Hankow Rail-
 way shot six members of a "comfort corps" bringing them
 presents and messages of cheer from Japan. The detach-
 ment was transferred to Hsuehiapeng which, it was sug-
 gested, may be a detention camp for restive troops.
 During the middle of June the detachment was moved to
 Seven Mile Creek below Hankow.

On or about June 3 -- Some 300 Japanese soldiers at
 Hanyang refused to proceed to the "front". They com-
 plained that they had been promised repatriation.
 Measures taken by headquarters were variously reported
 as (a) military operations involving considerable firing
 (heard in Hankow) carried on during the early morning
 as a warning to the disobedient unit; (b) 150 of the
 recalcitrant soldiers executed by machine gun fire in
 early morning at Tortoise Hill, Hanyang.

June 8 -- Sixty eight officers charged with "anti-war"
 sentiments were brought to Hankow from Wuchang where
 they were detained in a branch office of the former
 garrison headquarters on Yu I Chieh. They were lectured
 by high officers of the Army Special Service Section.
 At the end of June they were reported to be still under
 detention.

On or about June 9 -- 1000 recalcitrant troops at
 Wuchang disciplined by executing perhaps one out of ten.

On or about June 10 -- "Anti-war" posters were affixed
 at night in the Army Special Service Section's offices;
 one 10" x 20" next to the entrance to General Morioka's
 office.

June 12 -- 300 soldiers from Shayang who had refused to
 fight were incarcerated in the former Chamber of Commerce
 Building. They belonged to the Yeh Chan Tui (野戰隊).

600 restive troops of Takahashi detachment, 11th Division,
 dispatched to Kiukiang.

June 13

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

-2-

June 13 -- Between 840 and 850 disaffected soldiers of the 大 將 detachment brought from Liu Chia Hua Yuan, Hankow, to China Merchants Wharf. They were loaded on transport No. 322 which sailed for Kiukiang at 2 p.m.

June 15 -- Martial law declared on Hankow Bund above Custom House because of transfer of "anti-war" troops from Wuchang to Hankow. Japanese civilians not allowed on this section of the Bund.

The 11th, 12th, and 13th Divisions are to be receive double pay this month.

June 17 -- 2500 men of the 14th Division brought down from Hwangpei and dispatched to Nanking because of "anti-war" feeling in their midst.

June 19 -- 30 high officers from here fly to Nanking for conference on reluctance of troops to fight.

June 20 -- 300 recalcitrant soldiers of the 12th Division from the Hwangpei area brought, via Chiaokou, to Yu I Chieh, Hankow (where the 68 officers are detained). They were lectured to by an officer named 佐 本. They were sent on June 21 to Wuchang.

On or about June 21 -- Between 3000 and 4000 of Yoshida detachment, 13th Division, withdrew without orders from Chienshiang to Hanchuan. Between 50 and 60 of them came on through to Hankow where they are being kept at the old municipality.

On or about July 6 -- 600 men of the 大 石 detachment, said to have been the first Japanese troops to enter Wuhan, were ordered down the Canton-Hankow Railway to Tingszechiao (?). They refused to go claiming they had been promised repatriation for their feat of last October. After being admonished for two hours by their commander, they agreed to a compromise: transfer to Chinfang.

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

CORRECTED COPY

NC

This telegram is closely paraphrased before being communicated to anyone. (BR)

TELEGRAM RECEIVED

Dated August 23, 1939

Rec'd 5:50 p.m.

FROM

Secretary of State

Washington

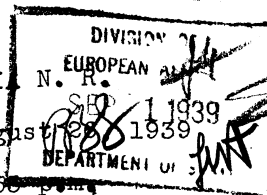
104, August 26, 6 p.m.

Reference my 102, August 23.

Today the press carried a report that a meeting of local merchants will be held August 28 for the purpose of discussing a blockade of Shameen and Hong Kong and that the decision of the meeting will be submitted to the local authorities for appropriate action.

This morning a member of the staff of the Japanese Consulate General called and in referring to press reports in regard to the taking of precautionary measures at Hong Kong particularly the evacuation of women and children, inquired whether this office had received instructions regarding the evacuation of Americans from Canton. I replied in the negative but mentioned the existence of standing instructions relative to advising Americans to remove from danger zones. In response to my inquiry in regard to press reports of a possible blockade of Shameen he said that he felt certain that the local Chinese and Japanese authorities (the military authorities were not mentioned) are opposed such a step but that the holding of the meeting would probably not be interfered with.

During



793.94/15326

FILED

SEP 5 1939

*note
246.94
246.94*

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

5720

NC -2* #104, August 26, 1939 from Canton

During the conversation he referred to the situation in Europe and the signing of the German-Soviet pact and indicated that the Japanese position had been altered as a result of recent developments and that although the Consulate General had received no instructions in the matter he felt that Japan would remain neutral in any eventuality.

In the light of the above and of available information in regard to recent developments I am inclined to the view that no blockade of Shameen is intended and that anti-British agitation in this area is likely to decrease.

Repeated to Chungking, Peiping, Hong Kong.

MYERS

PEG
KLP
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

15121

FE
EU

TELEGRAM RECEIVED

VM

Canton via N.E.

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

Dated August 26, 1939

FROM Rec'd 5:55 p.m.

C

Ch

Secretary of State

Washington.

104, August 26, 6 p.m.

Reference my 102, August 23.

Today the press carried a report that a meeting of
local merchants will be held August 28 for the purpose of
discussing a blockade of Shamen and Hong Kong and that
details of the meeting will be submitted to the local auth-
orities for appropriate action.

This morning a member of the staff of the Japanese
Consulate General called and in referring to press reports
in regard to the taking of precautionary measures at Hong
Kong particularly the evacuation of women and children,
inquired whether this office had received instructions regard-
ing the evacuation of Americans from Canton. I replied in
the negative but mentioned the existence of standing
instructions relative to advising Americans to remove from
danger zones. In response to my inquiry in regard to press
reports of a possible blockade of Shamen he said that he
felt certain that the local Chinese and Japanese authorities
(the military authorities were not mentioned) are opposed to
such

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793.94/15326

F/EG

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

VM -2- 104, August 26, 6 p.m., from Canton.

such a step but that the holding of the meeting would probably not be interfered with.

During the conversation he referred to the situation in Europe and the signing of the German-Soviet pact and indicated that the Japanese position had been altered as a result of recent developments and that although the Consulate General (?) will not interfere in the matter he felt that Japan would remain neutral in any eventuality.

As stated by the above (?) (?) in regard to recent developments I am inclined to the view that no blockade of Shameen is intended and that anti-British agitation in this area is likely to decrease.

Repeated to Chungking, Peiping, Hong Kong.

MYERS

PEG:KLP: DDM

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

(Confidential)

P A R A P H R A S E

A telegram (no. 104) of August 26, 1939, from the American Consul General at Canton reads substantially as follows:

On August 28 there will be a meeting of Canton merchants in order to talk over the matter of a blockade of Hong Kong and Shameen and details in regard to the meeting will be presented to the authorities in Canton for appropriate action, according to a report appearing in the newspapers of August 26.

During the course of a call on the morning of August 26, a member of the staff of the Japanese Consulate General referred to reports in the press concerning precautionary measures taken at Hong Kong especially relating to the evacuation of women and children and asked whether instructions had been received by the American Consulate General in regard to the matter of evacuating Americans from Canton. Although the American Consul General said that he had not received such instructions, he spoke of the standing instructions which foreign service officers have in regard to advising American citizens to leave dangerous areas. The American Consul General asked about newspaper reports to the effect that Shameen might be blockaded; to this the Japanese consular officer

DECLASSIFIED: E.O. 11652, 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-

officer replied that although he felt sure that Chinese and Japanese authorities in Canton were averse to such a step it was not likely that there would be any interference with the meeting. He did not mention the military authorities.

Referring to the European situation and the signing of the pact by Germany and the Soviet Union, the Japanese consular officer indicated that as a result of late developments Japan's position had been changed and that he felt that in any eventuality Japan would maintain its neutrality although the Consulate General had ^{received no instructions} ~~will not interfere~~ in the matter. The American Consul General is of the opinion, in available information and with line with the above statement by the Japanese officer concerning late developments, that it is probable that agitation against the British in the Canton area will lessen and that there will be no blockade of Shamsen.

egc.
 FE:EC:JFS
 8-29

FE

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Legal position of Great Britain in respect to possible
trade measures against Japan:

Clipping from the DAILY TELEGRAPH embodying letter
by Mr. Philip Noel-Baker, Socialist member of
Parliament in regard to the-

793.94/15327

For the original paper from which reference is taken

See Des. #3191
(Despatch, telegram, instruction, letter, etc.)

Dated Aug. 9, 1939 From } Great Britain (Johnson)
To }

File No. 741.942/49

15327

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

CROSS-REFERENCE FILE

NOTE

SUBJECT The situation in the Far East.
Developments of past week.

FRG.

For the original paper from which reference is taken

See Memorandum
(Despatch, telegram, instruction, letter, etc.) State Department
Far Eastern Division
(Salisbury)
Dated Aug 17, 1939 From
To
File No. 890.00/158

FRG.

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

CROSS-REFERENCE FILE

NOTE

SUBJECT The situation in the Far East.
Developments of past week.

For the original paper from which reference is taken

See Memorandum
(Despatch, telegram, instruction, letter, etc.) State Department
Far Eastern Division
(Salisbury)
Dated Aug 24, 1939 From
To
File No. 890.00/159

U. S. GOVERNMENT PRINTING OFFICE 1-1540

FRG.

793.94/ 15329

15329-

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

CROSS-REFERENCE FILE

NOTE

SUBJECT "Japan's mission in the Far East": Subject of
newspaper article in FRANKFURTER ZEITUNG
of August 6, enclosed.

aa

793.94/15330

For the original paper from which reference is taken

See # 1299
(Despatch, telegram, instruction, letter, etc.)

Dated August 9, 1939 From Germany (Kirk)
To

File No. 711.94/1289

15330

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Bombing of Civilian populations in China.

Encloses translation of text of note from
Ministry of Foreign Affairs, dated Aug. 4
listing statistics concerning -.

sa

For the original paper from which reference is taken

See despatch # 299

(Despatch, telegram, instruction, letter, etc.)

Dated August 10, 1939 From China (Chungking).
To

File No. 793.94 Advisory Committee/172

793.94/15331

15331

DECLASSIFIED: E.O. 11652, 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

TELEGRAM RECEIVED

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

CHUNGKING

Dated August 30, 1939

FROM

Rec'd 2 p.m.

Secretary of State

Washington

515, August 30, 9 a.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

At the request of General Chiang I called upon him yesterday afternoon accompanied by Peck. The President of the Executive Yuan, the Minister for Foreign Affairs and Madame Chiang were present. What follows is a condensation of a series of carefully formulated and numbered observations made by Chiang and interpreted partly by the Minister for Foreign Affairs and partly by Madame Chiang.

Two. (First). Chiang said he was anxious to learn the opinion of the President and also of the American people regarding the meaning and effect of the German-Soviet non-aggression pact particularly with reference to its bearing on future developments in the Far East.

(Second). He asserted that he had completely reliable information that the British and Japanese Governments were negotiating to revive the Anglo-Japanese alliance and to invite the (#) thereto of the French Government. He would be very interested to learn whether the American Government had received this information.

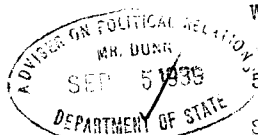
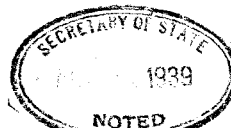
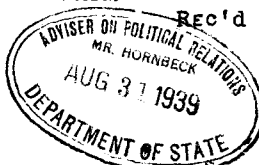
(Third)

15722

Division of
FAR EASTERN AFFAIRS

SEP 1-1939

Department of State



Telegram to Tokyo

773-22
741-92
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741-92

793.94/15332

FILED

F/FG

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

15723

HRE

2-#515 From Chungking August 30, 9 a.m.

(Third) He also had received information that during the discussions between the Soviet, British, and French Governments for a military accord the Soviet Government had proposed that its scope be extended to the Orient and that when the British and French rejected this proposal that government had determined to conclude the nonaggression pact with Germany in order to withdraw from European involvement and thus be able to devote its attention exclusively to the solution of Far Eastern problems. This solution it hopes to achieve in conjunction with the American, British, and French Governments but since in existing circumstances the latter two governments regarded the Soviet Government with a degree of suspicion the Soviet Government is hopeful that the American Government will take the initiative.

(Fourth) Chiang asked that I convey to the President his earnest desire that the American Government take the initiative by warning the British and French Governments against attempting to obtain Japanese protection for their Far Eastern interests (?) (?) by means of a revival of the Anglo-Japanese Alliance. He urged that the President as a substitute measure convoke an International Conference to discuss Far Eastern problems either in continuance of the Washington Conference or of the Brussels Conference but in any case with the necessary addition of the Soviet Union. A revival of the Alliance would mean the elimination of
the

15724

HRE 3-#515 From Chungking August 30, 9 a.m.

the principles embodied in the Nine Power Treaty whose principal sponsor is the United States.

Three. In making the foregoing observations Chiang's delivery had been marked by more than his usual gravity and seriousness but in what he called three supplementary remarks he spoke with an almost passionate vehemence. These remarks were (A) China's international policy is one of complete independence and is free from obligation to follow the dictates of the Soviet or of any other (?) (B) Chiang believes, however, that in the present international situation there can be no solution of the problems of the Far East except through the agency of the United States upon whose friendship and justice China depends. It is therefore urgently important that he learn at the earliest possible moment what policy the United States intends to adopt in the face of impending developments so that he may suitably frame China's policy (C) If Great Britain and France are acting on the supposition that Japan's strength in the Orient is greater than that of China they are completely mistaken. If in placing their reliance on Japan they hope to remove a threat to their Far Eastern colonial possessions they should be warned to desist (?) have in view because China can be as grave a threat as Japan to the security of those possessions. Chiang will resist Great Britain and France (?) become allies of Japan in exactly the

SAME

15125

HRE

4-#515 From Chungking August 30, 9 a.m.

same way as he is resisting Japan. Chiang assured me that his information was positive that the revival of the Anglo-Japanese alliance as a tripartite instrument might be decided upon at any moment and he urged that I lose no time in telegraphing to the Secretary and the President observations he had made and that I promptly inform him of the reply. This I promised to do.

Four. After the interview the Minister for Foreign Affairs informed me privately that while they could not tell me the source of their information regarding the discussions for the revival of the alliance he could assure me that it was a reliable one and that the Chinese Government overtly asked what its reaction would be to such a revival.

(END SECTION ONE) Repeated to Peiping, Shanghai.
Shanghai please repeat to Tokyo.

JOHNSON

(#) Apparent omission

JRL:NPL

15726

TELEGRAM RECEIVED

PAP

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

CHUNGKING

FROM

Dated August 30, 1939

Rec'd 7:25 p.m.

Secretary of State

Washington

515, August 30, 9 a.m. (SECTION TWO)

Five. Chiang is clearly convinced that a difference in Chinese foreign policy and in the Far Eastern situation has been precipitated by the Russo-German non-aggression agreement and its effect upon British policy in the Far East. All along he has based hope of success in Chinese defense against Japanese encroachment on the conviction that sooner or later world opinion would change in such a way as to favor China and defeat Japan. Now fears that Russia's action in entering into a non-aggression pact with Germany will have so changed liberal opinion in England as to open the way for more conservative elements, who from the beginning have favored such a course, to press for an agreement of mutual assistance between England or against Russia if not a return to the Anglo-Japanese collaboration and for a repudiation by Great Britain of the Nine Power Treaty and the whole Far Eastern establishment as evolved at the Washington Conference. (This theory implies that just as conservative England has sympathized with and aided Germany in tearing up the Versailles settlement,

15727

PAP -2- 515, August 30, 9 a.m. SECTION TWO from Chungking

so will conservative England sympathize with and aid Japan in her avowed policy of tearing up the Washington Conference settlement.) Responding to a direct question from the Generalissimo as to my personal reaction to what he had said in this regard, I said that I found it difficult ^{To believe that} ~~(?)~~ England could go so far in restoring her relations with Japan not only because of opposition from Australia and Canada but also because I believed that England is relying rather heavily upon American sympathy and aid in her difficulties with Germany and doubtless was aware that such a step accompanied by an effort to persuade Chinese compliance with Japanese plans would be the quickest way of cooling pro-British sentiment in the United States. But my feelings in this regard were somewhat upset last evening upon my return by remarks made to me and to members of my staff by the local British Vice Consul who asked me what I considered to be the minimum peace terms which the Chinese would accept and by ^{his} ~~(?)~~ apparent acceptance of ^{The idea that} ~~(?) makes no mention of~~ the relations between England and Japan approaching an (?). I said that I still believed that Chinese peace terms, at least such as might be framed by the Chinese Government, would call for the complete evacuation of Japanese soldiers and that I felt that the Chinese were worried over the renewal of the Anglo-Japanese alliance. (I also recall that constantly during the past two years the British Government

15728

PAP -3- 515, August 30, 9 a.m. (SECTION TWO) from Chungking

ment has been periodically sounding the Chinese Government on peace terms, has shown a desire to conciliate and perhaps by helping them to get control of Chinese customs and by acting the role of mediator between the Japanese and the Chinese.) The vice consul in question mentioned the fear in England that Russia might make common cause with Japan and then attack England through the allied forces (an unparalleled return to British fear of Russia which characterized the period of the nineties) and extreme reluctance of certain British leaders to have any negotiations with Russia. Later in conversation with a member of my staff he said that the British were concerned with the old fear that Japan and Russia might come to terms and he was of the opinion that the British Government would take steps to put the Tokyo pact into practice (presumably along the lines of Japanese interpretations) and take other effective measures to reach an agreement which might preclude any rapprochement between Japan and Russia. He said that he was immediately going to work on an evacuation plan for British subjects in his consular district for he believed that if his government did take such steps as those above outlined and came to other arrangements with Japan it would result in reactions by the Chinese which would be detrimental to welfare of the British subjects in his district.

Six.

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

15729

PAP -4- 515, August 30, 9 a.m. (SECTION TWO) from Chungking

Six. The astounding insistence by Chiang in his conversation with me that China and not Japan is the dominant military power in the Far East and capable of doing far more damage to British colonial possessions in the Far East than Japan may possibly be based upon a conviction that China would be working against Japan in conjunction with Russia. Although the fact is not officially admitted a new Russian Ambassador is here waiting presentation of his credentials in a few days. For some reason the Russians have imposed secrecy as to his name.

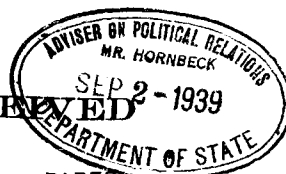
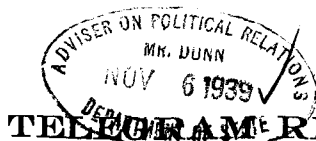
Seven. During the conversation with Chiang Doctor Hamilton said to me that China now relied upon America for something to save China as America had done in the past; he instanced our attitude in the Boxer negotiations and our refusal to join in punitive measures after the Nanking incident. He observed that the United States and China are the principal supports of peace in the Pacific and that by cooperating with China in the maintenance of peace the United States would protect its own welfare. Repeated to Peiping, Shanghai. Shanghai please repeat to Tokyo.

(END MESSAGE)

JOHNSON

PEG:CSB

DECLASSIFIED: E.O. 13526, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



TELEGRAM RECEIVED

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

PARIS

Dated September 1, 1939

Rec'd 12:18 p.m.

Secretary of State

Washington

RUSH

1702, September 1, 4 p.m. (SECTION ONE)
SECRET FOR THE PRESIDENT.

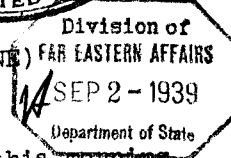
The Chinese Ambassador called on me this morning

and said that he had an official communication of the
utmost importance to make to me and through me to the
Government of the United States.

He had received two extremely long telegrams from
General Chiang Kai Shek. The general had instructed
him to see me at once to present to me his personal
regards and best wishes and to make the following
official communication which he hoped I would transmit
at once to you.

General Chiang Kai Shek hoped that you would take
action immediately to put an end to the war between China
and Japan. The General hoped that you would not
(repeat not) indicate to anyone that this initiative had
come from him but that you would let it appear to be a
purely American initiative.

The



793.94/15333

Confidential File

476

NC -2- #1702 from Paris, September 1, 1939

The General felt that the position was the following. Japan with her armies bogged down in China had become most apprehensive that the Soviet Union with German support might make war on Japan. He had reason to believe that the present Government in Japan would welcome an initiative by the United States designed to pull Japan out of the bog in China.

(END SECTION ONE)

BULLITT

KLP

477

TELEGRAM RECEIVED

NC

This telegram must be _____
closely paraphrased
before being communicated
to anyone. (D-1)

PARIS

Dated September 1, 1939

FROM

Rec'd 12:26 p.m.

Secretary of State

Washington

1702, September 1, 4 p.m.

(SECTION TWO)

The General believed that in order to end the Chinese Japanese war it would be desirable to follow the following course of action:

The French and British Governments should be prevented from throwing themselves into the arms of Japan without insisting on a liquidation of the war between China and Japan on terms which would insure the independence and freedom of development of China.

The General thought that if the United States, France, England and the Soviet Union should remain firm in their support of China and if the United States, France and England should at the same time, acting through a representative of the United States, indicate to Japan that they were prepared to do their best to bring the war in China to an end, the Japanese Government would respond favorably to such action.

BULLITT

DDM
PEG

478

TELEGRAM RECEIVED

NC

This telegram must be
closely paraphrased
before being communicated ^{FROM}
to anyone. (D)

PARIS

Dated September 1, 1939

Rec'd 12:55 p.m.

Secretary of State

Washington

1702, September 1, 4 p.m. (SECTION THREE)

With regard to the Soviet Union General Chiang Kai Shek desires to assure me and the Government of the United States that he had absolute freedom of action vis a vis the Soviet Union. He had no pacts with the Soviet Union binding him in any way. At the present moment however the Soviet Union was continuing to supply him with arms and ammunition and remained his greatest source of these supplies.

The General was somewhat apprehensive that France and England might be so stunned by their difficulties in Europe that they would seek a precipitate understanding with Japan which might result in a new Anglo-Japanese alliance at the expense of China. The General would consider such action on the part of England an unfriendly act.

BULLITT

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

479

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

TELEGRAM RECEIVED

Dated September 1, 1939

FROM Rec'd 1:30 p.m.

Secretary of State,
Washington.

1702, September 1, 4 p.m. (SECTION FOUR).

Specifically the General believed that after a testing of the ground through diplomatic channels it might be desirable to call a conference for a settlement of the Chinese-Japanese war which might be a conference composed of the signatories of the Nine Power Treaty or might be a continuation of the Brussels Conference or some other sort of a conference.

The General felt that if the Government of the United States should approach the Japanese Government along the general lines that he had suggested the Government of the United States should in the most friendly way warn the Japanese Government that the task of bringing the war in China to an end would be greatly complicated if the Japanese military leaders in China should be permitted to put through their present plan to establish a so-called Chinese Government under Wang Ching Wei.

He hoped that in the interest of an eventual settlement the Government of the United States could persuade the

Japanese

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

480

-2- #1702, September 1, 4 p.m., (SEC. FOUR) from Paris

Japanese Government to adjourn the formation of such a
government which was now scheduled he understood for
October 10.

BULLITT

CSB

481

TELEGRAM RECEIVED

PAP

¹⁻¹³³⁰
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (D)

FROM

PARIS

Dated September 1, 1939

Rec'd 3:20 p.m.

Secretary of State

Washington

1702, September 1, 4 p.m. (SECTION FIVE)

I asked the Chinese Ambassador if he had any indication in the telegrams he had just received with regard to the terms of settlement which General Chiang Kai Shek would be willing to accept.

He replied that the General had not stated any terms in these telegrams; but from previous instructions to him he believed that the General's terms would be the withdrawal of all Japanese troops from China and the reestablishment of Chinese sovereignty as it had existed before the Tientsin incident. I asked the Chinese Ambassador if General Chiang would really insist on the withdrawal of Japanese troops from all North China. He replied that he believed that General Chiang would be glad to agree to have Japanese troops stationed on the Tientsin-Paiping railroad as they had been before the Tientsin incident. He indicated that he was not at all sure that General Chiang's terms would be so stiff as this.

He stated to me that he believed General Chiang recently,

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. Quisenberry NARS, Date 12-18-75

482

PAP -2- 1702, September 1, 4 p.m. from Paris (SECTION FIVE

in conversation with the American Ambassador in Chungking,
had gone into detail as to the terms on which he was
ready to make peace. He was in no position in Paris to
be specific on this point.

BULLITT

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

483

NC **TELEGRAM RECEIVED**

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

PARIS

Dated September 1, 1939

FROM

Rec'd 1 p.m.

Secretary of State

Washington

1702, September 1, 4 p.m. (SECTION SIX)

The Chinese Ambassador concluded by stating that he hoped I would communicate the message he had given to me to you as an official message of the Chinese Government. He hoped I would urge you to act quickly and that I would emphasize General Chiang's belief that the course of action should be (one) conversations with the French and British Governments with a view to preventing them from throwing themselves into the arms of Japan at the expense of China, (two) an approach to the Japanese Government which would include advice not to set up a so-called Chinese Government under Wang Ching Wei and (three) a conference for the settlement of the Chinese Japanese war.

CSB

BULLITT

484

TELEGRAM RECEIVED

PAP

PARIS

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

Dated September 1, 1939
FROM
Rec'd 3:12 p.m.

Secretary of State

Washington

1702, September 1, 4 p.m. (SECTION SEVEN)

As I said in my telegram No. 1645, August 29, 2 p.m.

I shall avoid any conversations that I can avoid on the
subject of the Far East but once again yesterday the
Polish Ambassador obviously acting under instructions from
his Government urged me once more to urge my Government
to take advantage of the present disposition of the
Japanese Government to reestablish good relations with
France, England and the United States and to end the war
in China.

Bonnet also referred to the same matter.

As he left me the Chinese Ambassador stated that he
hoped I would be able to communicate to him in the near
future your opinion as to the message he had communicated
to you.

I venture to suggest that you should merely inform me
that you are studying the question and that you will use
more direct channels of communication with the Chinese
Government in case you should decide to take any action.
(END MESSAGE)

BULLITT

CSB

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

TELEGRAM RECEIVED

lw

Canton via N.R.

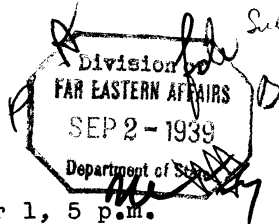
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (Br)

FROM

Dated September 1, 1939

Rec'd 1:50 p.m.

Secretary of State
Washington



108, September 1, 5 p.m.

Reference my 104, August 26, 6 p.m. /15326

There has been no change in the character of the
local anti-British campaign which it is believed is being
kept alive principally by a few Chinese desirous of
promoting their own interests with the Japanese.
Yesterday an authoritative source assured a member of
my staff that the Japanese would suppress this
campaign if it proceeded beyond the present innocuous
stage. It is thought that the Japanese are not unwilling
that the agitation in its present form continue in view
of its possible usefulness to them at a later date.

CONFIDENTIAL. According to a competent observer
it has been particularly noticeable during the past six
months that officers of the Japanese army of the ranks
from which the so-called young officers' clique is composed
have as a result of their experiences in China become

moderate

793.94/15334

F/FG

SEP 9 1939

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

lw No. 108, September 1, 5 p.m., from Canton

moderate in their (*). This statement appears not
improbable and suggests a possible change in the trend
of Japanese policy.

Repeated to Chungking, Peiping, Hong Kong.

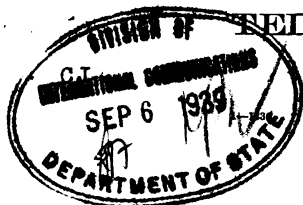
MYERS

(*) apparent omission

HTM: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

15730



TELEGRAM RECEIVED

PLAIN

FROM

SHANGHAI VIA N.R.

Dated September 2, 1939

Rec'd 12:11 p.m.

Secretary of State
Washington.

Division of
FAR EASTERN AFFAIRS
SEP 5 - 1939
Department of State

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

792, September 2, 4 p.m.

Japanese Consul General has circulated a letter dated September second for the information of his colleagues quoting a notification received by him from the Commander in Chief of the Japanese China Seas fleet. The notification states that Japanese naval forces will commence military operations against Meichowpu Bay, Fukien province (Chinese telegraph numbers 3270, 1558, 3184), on the morning of September sixth. Third power vessels including men of war are requested to leave the Bay which is to be closed by means of obstacles, by the morning of the date mentioned. The notification states further that the Japanese authorities cannot assume any responsibility for losses either direct or indirect that may be suffered by vessels remaining after the morning of September sixth and request that third power nationals residing in this area evacuate as soon as possible.

As the American position regarding operations of this nature

793.94/15335

F/FG

FILED

SEP

1939

nature

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

15731

=2= #792, September 2, 4 p.m., from Shanghai via NR

nature has already been made clear, no reply will be made
unless I am instructed to do so.

Repeated to Peiping, Chungking, Foochow, Amoy and
Cincif. By air mail to Tokyo.

GAUSS

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Statement by Prime Minister Abe regarding present situation
and general policy to be inaugurated.
Quotes from-; sets forth press reaction.

FRG.

793.94/15336

For the original paper from which reference is taken

See Tel #449; 3pm
(Despatch, telegram, instruction, letter, etc.)

Dated August 31, 1939 From Japan (Dooman)
To

File No. 894.00/869

U. S. GOVERNMENT PRINTING OFFICE 1-1540

FRG.

15336-

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

CJ

GRAY

TOKYO

Dated August 31, 1939

Rec'd 7:20 a.m.

Secretary of State,
Washington.

449, August 31, 3 p.m.

Our 448, August 30, 4 p.m.

One. The statement mentioned in paragraph three of our telegram under reference was given to the press and broadcast to the nation over the radio by the Prime Minister last night. It was vague and repetitious in character. A summarized translation of that section dealing with foreign relations is as follows.

"World affairs are now full of event and change, and the present situation is extremely significant. The establishment of a new order in East Asia is Japan's immutable policy, and the adjustment of international relations to this end is of immediate urgency. In coping with the complicated and rapidly changing international situation I intend to preserve an independent position for Japan and proceed on a basis of carrying out our own convictions. We shall cooperate as friends in the promotion of the fortunes of the world with those powers who understand our position 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

-2- #449, August 31, 3 p.m., from Tokyo

and who cooperated unstintingly with us. Those powers who do not cooperate shall be dealt with with firm determination. Japan's policy with respect to the present incident is already determined and immutable, and the Government, with a united nation, intends to put this policy into effect".

Two. This morning the vernacular press confesses that there is little that is new or concrete in Prime Minister Abe's statement but declares that the circumstances attending the change of Cabinet make such a statement inevitable. After all, the press goes on, the real question lies in how the new Prime Minister's convictions are to be given concrete expression. The press is still at a loss to know how Abe will proceed to deal with the present situation and continues to be somewhat skeptical of his ability to do so.

Repeated Peiping. Peiping please repeat to Chungking.

DOOMAN

HPD

183
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gueyfer NARS, Date 12-18-75

CROSS-REFERENCE FILE

NOTE

SUBJECT Developments and events at or near Hong Kong during
month of August which had relation to China conflict:
summary of same.

793.94/15337

For the original paper from which reference is taken

See Tel #292, 6am
(Despatch, telegram, instruction, letter, etc.)

Dated Sept. 1, 1939, 6am From Hong Kong (Southard)
To

File No. 846g.00/47

J 8 3

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

AC

GRAY

Hong Kong via N.R.

Dated September 1, 1939

Rec'd 1:50 p.m.

Secretary of State

Washington

292, September 1, 6 a.m.

Among the developments and events at or near Hong Kong during the month of August which had relation to China, probably the most important was the landing beginning August 16 of an estimated 15,000 Japanese troops to occupy the frontier between this colony and Kwangtung Province. Because these troops were equipped with some tanks and with fair sized field guns; because the number was greater than could be required for policing the frontier and because of the crisis in Europe there was much excitement in Hong Kong and a sharp fear that an attack on this colony was intended. The Hong Kong frontier area was evacuated and placed on a war footing by the British military. This Government advised women and children to evacuate. Prominent Chinese residing here were especially alarmed and many left the colony and many more continue to leave with their families for Manila and Singapore. Tense situation continued for about a week but is now much calmer as the result of the movement of the majority of Japanese troops to the North and announcement of the Soviet-German pact which

0834

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

- 2 - #292, September 1, 6 a.m. from Hong Kong

which has been accepted by many as likely to influence more tolerant Japanese feeling for Great Britain.

Other possibly important Japanese military activities which have been reported and more or less confirmed in Hong Kong during the month were repeated attacks at numerous points in the Chungshan area which, according to Chinese sources here have mainly failed because of Chinese efficiency and which according to other than Chinese observers here may have failed because of rivalry, causing non-cooperation between the Japanese military and naval forces engaged. Shelling of the Chungshan coast at various points and persistent machine gunning of highways, importantly, that one between Shekki and Macao, has been more or less confirmed here. Hong Kong has heard that operations have been active throughout the month in the Kongmoon district and in the Pakhoi district at which latter place a particularly destructive air raid took place on August 16. Nanning was reported in Hong Kong to have been severely bombed on August 23. Usually reliable sources in Hong Kong report the Japanese occupation of Wanning on the southwestern tip of Hainan Island. In connection with the general operations off Chungshan, there has been reported the utilization by the Japanese as an air base of Sancho Island, which is thirteen miles southeast of Macao and about fifty miles southwest

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

- 3 - #192, September 1, 6 a.m. from Hong Kong

southwest of Hong Kong. Landing of additional Japanese troops this week at Bias Bay is confirmed in Hong Kong.

The only report of the bombing of American property received during the month in Hong Kong was that of the American Catholic Mission at Taklin which report was relayed to Canton on August 2 for action.

Communication facilities between Hong Kong and the interior were supplemented by the opening of a radio telephone service with Chungking on August 15. The traffic situation on the Pearl River has not changed. Reasonably reliable reports from over the frontier indicate that active repair work on the Kowloon-Canton Railway is being done under direction of the Japanese military with a view to restoring service from Shumchun inland to Sheklung. Replacement of the important bridge at the latter place is reported by the Japanese Consul General here as too big a job to be undertaken within the near future. Since August 16 traffic over the frontier between Hong Kong and the hinterland, which prior to that time had reached almost normal proportions, has been suspended and practically a complete land blockade has been established. ^{HOWEVER, a} / few junks from local ports continue to come into Hong Kong from Chinese points both north and south.

The Wang Ching Wei broadcast on August 9 at Canton
produced

- 4 - #292, September 1, 2 a.m. from Hong Kong

produced surprisingly little reaction in Hong Kong although some observers are inclined to believe that reaction aroused by it was indirectly responsible for the murder by political gunmen in Hong Kong on the night of August 22 of Wang's nephew, Shun Soon. The three murderers have not been captured. Another political killing reported in Hong Kong was that on August 5th near Shekhi, of the puppet political commissioner for the Pakhoi district.

Among the several Chinese officials who visited Hong Kong during the month, probably the most important from viewpoint of his position and of the business transacted was Vice Minister of Finance, Hsu Kan, who spent considerable time here for discussion with various bankers and advisers of the Chinese national currency problem. General Chan Chai Tong who has been living in Hong Kong is reported to have been called to Chungking for discussion of the rumors that he has been flirting with the Wang Ching Wei movement. The General's family of more than twenty members have just applied at this office for visas for Manila. The Governor of Chekiang was reported here for a few days on a visit to his family. According to Chinese newspapers here the chairman of the Kwangtung Provincial Government has instructed most of the many Kwangtung Provincial officials living in Hong Kong to return

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

- 5 - #292, September 1, 3 a.m. from Hong Kong

return to China for service.

There are persistent rumors here, of which this office has been unable to procure either confirmation or denial, that the more important functions of the Hong Kong offices of the four big government banks must prepare for early removal to Kunming. Rumors have also been persistent that various of the approximately twenty-three Chinese official agencies here, which are mainly concerned with purchasing or trade or transportation, have been instructed to prepare to move to Rangoon or Kunming or Shanghai. The three American truck transportation experts engaged by the Chinese Government who were expected to arrive here last week by Clipper have been delayed en route and are understood to be on this date still in Manila awaiting conveyance to Hong Kong.

and Department
Sent to Peiping. Repeated to Canton/but not to
Chungking which does not desire repetition of the monthly political summary.

SOUTHARD

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Prime Minister states first business of his new Government is to quickly dispose of the China conflict. Although following a free and independent policy, Japan would not rule out cooperation with other countries so long as such cooperation would not conflict with Japan's position.

793.94 / 15338

For the original paper from which reference is taken

See Tel #450, 7pm
(Despatch, telegram, instruction, letter, etc.)

Dated Sept. 1, 1939 From Japan (Dooman)
To

File No. 894.00/873

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

1939 SEP 2 AM 10 06

NAVY DEPARTMENT
WASHINGTON
1 September 1939

NAVY DEPARTMENT
WASHINGTON

1 September 1939

September 11 1939

485

ADDRESS REPLY TO
THE SECRETARY OF THE NAVY
AND REFER TO INITIALS
AND No.

QW17(390720)

Division of
FAR EASTERN AFFAIRS
SEP 5-1939
Department of State

Sir:

There is forwarded herewith for your information a copy of
a report received from Admiral H. B. Yarnell, U.S.N., Commander-in-
Chief, Asiatic Fleet, under date of July 20, 1939, on the "Far
Eastern Situation".

Respectfully,

Encl.

Acting Secretary of the Navy.

The Honorable,

The Secretary of State.



One copy of Admiral Yarnell's
report of July 20, 1939 sent to Tokyo
(Ambassador Grew) in the pouch
of Sept. 16, 1939 without covering
letter PA/H

OCT 17 1939

FILED

793.94/15339

F/FS

793.94

21430 Asiatic Fleet

Al6-3 (190)

UNITED STATES ASIATIC FLEET
U.S.S. AUGUSTA (Flagship)

00-owc

Shanghai, China
20 July, 1939

From: The Commander in Chief, Asiatic Fleet.
To : The Secretary of the Navy.

Subject: Far Eastern Situation.

Enclosure: (A) Copy CinCAF letr Al6-3 (7425) of 7 Nov. 1937.

1. Before relinquishing command of the Asiatic Station, it may be desirable to summarize the situation as it appears to me at the present time, for the information of the Navy Department and of my relief. This letter will repeat to a certain extent comments and recommendations which I have submitted in personal and official letters during the past two years.

2. JAPANESE POLICY IN THE FAR EAST.

Japanese policy during past years is fully covered in official reports and in many books by able writers. It is, of course, well known to the authorities in Washington.

The salient features of this policy may be summarized as follows:

(a) Japan has always been a nation that believed in the sword as a method of increasing her power.

(b) Although denounced as a forgery, the "Tanaka Memorial" undoubtedly represents the views of the militarists and expansionists, and the statements made and actions taken by Japan in recent years follow closely the procedure outlined and recommended in this Memorial.

(c) In 1931 the Japanese Army broke away from all restraint by the Foreign Office and Civil authorities in Tokyo, took over Manchuria, and since that time has become the dominating influence in the Government.

(d) While jealous of the Army and not in favor of its "continental policy", the Navy has supported it, in general, in its expansionist plans.

(e) In the Army, and to a lesser extent in the Navy, there is a "Young Officer Element", which in many cases dictates the action to be taken, even though this action is contrary to the views of the senior officers.

A recent example of this situation is furnished in Tientsin, where Lieutenant General Homma, in command of the area, admitted to a British officer that the blockade of the British Concession was in the hands of his staff and beyond his control.

Another example was the "Victory Parade" through the International Settlement in Shanghai, which was ordered by the staff of General Matsui, although he opposed it.

(f) This lack of control by Tokyo and even by the Commanding Generals over an irresponsible, chauvinistic section of the Army, renders it difficult to foresee or predict future trends or events, and accordingly makes the present situation for Americans and Europeans especially dangerous.

(g) At the beginning of the present "incident", in July, 1937, the plans of the Japanese Army provided for taking over only the five northern Chinese provinces. After becoming involved in the Yangtze valley, the whole affair unexpectedly assumed much larger proportions than intended, and as the campaign progressed, it became apparent to the Army leaders that all of China must be occupied or controlled in order eventually to pay the bill. Also, such control, the "New Order in East Asia", would result in a speeding up, by many years, of the dream of Japanese domination of the Far East. It has become a desperate gamble on the part of Japan, with the chances of success in her favor, provided there is no outside interference, and especially if there is a war in Europe.

3. CHINESE POLICY.

Since the assumption of power by the Kuomintang government in 1927, all efforts have been directed toward consolidating and strengthening its authority. Comprehensive plans were made for public works, including roads, railroads, commercial aviation, water works, rural aid and development, and many others. Many of these plans had not progressed beyond the paper stage, but it was apparent that there was at last in China, a government that was honestly striving to establish law, order, and stability.

The energies of the government were principally absorbed in domestic problems. In its foreign policy, the government announced its intention of eventually securing the abolition of the privileges of extraterritoriality, the unequal treaties, and the foreign concessions.

The currency and finances of the nation were placed on a stable basis through the ability of Mr. T. V. Soong and his foreign advisers.

7 8 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

German military advisers began the formation of a trained, well equipped army. American and Italian advisers assisted in developing the military air force.

Throughout China there was the beginning of a spirit of nationalism. This was aided by the body of young educated Chinese who occupied prominent positions in the central and local governments. The "New Life Movement" fostered by Madame Chiang Kai-shek was growing rapidly.

The outstanding character in bringing about a new order in China has been the Generalissimo, Chiang Kai-shek. He is today the national hero of China, and there is none other in sight who can take his place, unless it is his wife, who occupies in the minds of the people a place second only to that of the Generalissimo.

Enemies of the Generalissimo point out his ruthlessness, especially in the execution of many so-called Communists at Shanghai in 1927, and to his alleged personal connection with the sale of opium in past days. The fact remains that he is a patriot, devoted to the advancement of his nation, and is admired and respected by all unbiassed, neutral observers for his indomitable determination to fight to the end to save China from Japanese domination.

During the ten years preceding the present incident, there has been no pronounced anti-foreignism against any nation except perhaps Japan. There has been in China widespread distrust and fear of the expansionist policy of Japan, and this led to local incidents which furnished bases of controversy.

If China eventually succeeds in the present controversy and establishes a stable government, the privileges of extraterritoriality, unequal treaties, concessions, and foreign control of any kind will inevitably be abolished. This prospect is anathema to the "Old China Hand", but cannot be opposed by any disinterested party. Every nation does the same when sufficiently powerful.

In her foreign policy, China has no dreams of world domination. Her domestic problems will absorb her interest and efforts for many years.

A stable government in China is the greatest factor for peace in the Far East, and should receive the support of every nation desiring this end.

4. BRIEF OF EVENTS LEADING UP TO PRESENT INCIDENT.

The occupation of Manchuria in 1931 by Japan began a sequence of disputes, futile negotiations, appeals to the League of Nations on the part of China, a strong attitude by the United States which was not supported by Great Britain, etc., all of which increased the enmity between China and Japan.

After the occupation of Manchuria, Japan, represented by its Army, began plotting for the detachment of the five northern provinces from China. This plan was delayed, and becoming impatient, the Japanese Army brought about the Marco Polo Bridge incident of July 7, 1937.

It is evident that the Japanese Army became alarmed over the growing strength and stability of China, and decided to strike before Chinese resistance could become a serious obstacle. It has been said that the war came two years too late for Japan and two years too soon for China.

In their estimate of the situation, the Japanese General Staff showed incredible stupidity and ignorance in assuming that the Chinese would not fight, or if they did, that their resistance would not be serious. The Staff evidently never realized the growth of national feeling in China, or the fact that their own course of action would lead to a major war. They assumed that after a short, sharp campaign of two or three months, North China would be in their hands, and the next step in the great plan of Far Eastern domination would be an accomplished fact. War other than in this area was never intended.

Chiang Kai-shek was placed in a terrible dilemma. He could resist Japan and see China ruined, or make peace, and see his government and himself thrown out of power by the influential elements that were in favor of war. Either choice led to the loss of all the progress that had been made during recent years in starting the nation on the road to stability and comparative prosperity. Every effort consistent with national honor and integrity was made to avoid war, but all proposals for the settlement of the dispute were rejected by Japan, whose terms rendered war inevitable.

The Chinese Army was no match for the well organized, fully equipped, highly trained Japanese Army. Of the millions of men under arms, there were only a few well trained divisions, which represented the work of the German military advisers.

Rather than send these and other National troops to North China where supply was difficult, Chiang Kai-shek decided to utilize them in an attack on the Japanese forces at Shanghai. These forces consisted of about 4,000 marines ashore in Hongkew,

and warships in the river. Here the Japanese made a great blunder in not withdrawing their limited forces, and turning over the protection of their interests and their nationals to the neutral forces in the International Settlement. This had been done in Hankow and Canton, but evidently too great a loss of face was involved in Shanghai to permit this to be done. Had such action been taken, Japan need never have become involved in the Yangtze and the "incident" could have been restricted to North China as originally planned.

Fighting at Shanghai began on August 13, 1937. The Japanese forces were hard pressed by greatly superior Chinese forces, until the arrival, about 12 days later of 70,000 men under command of General Matsui. The battle around Shanghai continued until November 12th, when the Chinese fell back towards Nanking.

It is fairly certain that originally the Japanese plan contemplated only driving the Chinese army clear of the vicinity of Shanghai. The demoralization of the latter, however, inspired the decision to press on and capture Nanking which would surely end the war. Nanking was captured, great numbers of Chinese troops and civilians were killed, and the Nationalist government was driven to Hankow.

The war did not end, however, and the Generalissimo announced his intention to continue fighting until Chinese soil was free of Japanese troops.

The next Japanese campaign consisted of a movement south from Shantung, and north from Nanking to occupy Anhwei and southern Shantung, and destroy the Chinese armies in that area. After heavy fighting, the territory was occupied but the bulk of the Chinese troops escaped to the westward. The Yellow River dykes were broken by the Chinese, flooding a large section of Northern Anhwei and making an attack on Hankow from the northward, as was planned, impossible.

The Yangtze campaign was then begun in June, 1938, and Hankow occupied in October, the Chinese armies withdrawing to the westward and southward. In the meantime, Canton had been occupied with little resistance. Nanchang was taken in February, 1939, and in May operations were begun along the Han River northwest of Hankow. These operations have resulted in heavy losses to the Japanese with little gain.

Swatow was occupied in June, 1939, and Foochow and Wenchow in early July. With the exception of Ningpo, all the principal seaports are in the hands of the Japanese.

5. PRESENT SITUATION (July 20, 1939).

(a) JAPAN.

At the present time there are in China south of the Great Wall from 800,000 to 1,000,000 Japanese troops.

Their losses in killed and wounded during the two years of fighting are probably between 600,000 and 800,000.

The cost of the war to Japan through 1939 will be about 12 billion yen.

Their troops occupy all principal seaports, and all cities and towns along the Yangtze River to Hankow. They also occupy railroad lines from Shanghai to Wuhu, Nanking to Tientsin, North China lines, and the Peiping-Hankow line from Peiping to the Yellow River.

Their control, however, extends but a few miles outside of the occupied cities and towns, and adjacent to the railroads.

About one-fourth of their merchant marine, or about 1,000,000 tons, is engaged in transport duty.

Indiscriminate bombing of Chinese towns and villages and the conduct of Japanese soldiery have instilled a hatred in the minds of the mass of Chinese people which will be hard to overcome.

Great efforts are being made to secure Chinese of influence to head the Reformed and other puppet governments that have been set up, but in view of the activities of the Chinese anti-Japanese patriotic organizations, and for other reasons, their efforts have met with little success so far.

Comprehensive plans have been worked out on paper for the development of the public utilities and natural resources of China.

Control of the Customs has been secured with all receipts being paid into the Yokohama Specie Bank.

Much revenue is received from the importation and sale of opium and its derivatives.

Japanese efforts to circulate their two new currencies, the Federal Reserve Bank notes in North China and the Hua Hsing notes in the Shanghai region, at par with the Yen and Chinese National currency, respectively, have met with little success. The acceptance of Federal Reserve Bank notes has been

quite effectively enforced in areas under Japanese military control but this condition does not extend into the interior, Chinese National currency still being the principal medium of exchange. Both Japanese currencies are now quoted at a considerable discount, and competent observers consider the plan a failure.

Hordes of Japanese adventurers, many of whom belong to the criminal element, flocked to China in the wake of the Army, and the Japanese Government has gradually come to realize that they have not contributed anything to the winning-over of the people -- in fact, efforts are now being made to curb and control the activities of these so-called "carpet baggers."

The "New Order in East Asia" has been announced, this meaning complete control over China, and the elimination of all European and American influence.

A concerted campaign against the foreign concessions in Tientsin, Shanghai, and Kulangsu is under way, with the emphasis at present on Tientsin.

(b) CHINA.

The seat of government is at Chungking.

Chiang Kai-shek is firmly in power and commands the respect and support of the mass of the Chinese people.

He has announced repeatedly that he cannot consider terms of peace that do not provide for the integrity of Chinese territory, and the withdrawal of Japanese forces.

The Chinese Army consists mostly of infantry. Artillery, cavalry, tanks, and air force are practically nonexistent.

The fighting ability of this army varies, depending on the leaders. In the recent fighting in the Han River area, the Chinese troops were evidently more than a match for the Japanese.

The present main reliance of the Chinese is on guerrilla warfare. This is quite efficient in northern China under the direction of the so-called "Red Army" leaders. It is inefficient in other areas due to poor leadership and lack of military supplies. In many areas, the guerrillas are merely bandits who live on the country and are a scourge to their own people.

Chinese finances at present are fairly stable due to support from the United States and Great Britain. Such support must be continued to prevent eventual collapse.

A small amount of military supplies is coming in over the Hanoi-Kunming railroad, and over the road from Burma. This latter road will probably be out of commission during the summer rainy season.

There are several Chinese arsenals which can make small arms and ammunition, and trench mortars. There is no information of the amount of raw materials on hand for such manufacture.

The morale of the government is reported to be excellent with every intention of continuing the war.

Japanese bombings and atrocities have probably done more to strengthen the hands of the Nationalist government than any other single cause.

6. PROBABLE FUTURE COURSE OF EVENTS.

From a military point of view, there is a certain degree of stalemate at the present time. Japan continues to send re-inforcements and replacements to China, but just what her objective will be is not clear.

Military operations southwest of Hankow, or the capture of Chungking will lead them into a difficult country with ever lengthening lines of communication, and an elusive Chinese army in front of them. The capture of Sian and Lanchow is greatly to be desired in order to shut off such supplies as may come in from Russia. In this area, however, the 8th Route Army are hard and experienced fighters, and the Japanese have been fully occupied in Shansi during the past year without being able to advance.

The course of action of the Japanese Army during the coming months will probably be:

- (a) An advance to Ichang - possibly Sian.
- (b) Consolidation of positions near present occupied cities.
- (c) Operations against guerrillas.

→ The Special Service Section of the Japanese Army will intensify its campaign against the Foreign Concessions. This campaign is at present the major one in Japanese minds. The taking over of these Concessions, giving them absolute control of trade and finance, and the capture of the silver stocks now in Concession banks would be equivalent to many victories on the battle field.

→ Possession of the Concessions means elimination, temporarily perhaps, of the white race from China, and this accomplishment would spur Japan to greater efforts to bring the "incident" to a successful end. Conversely, the effect on the Nationalist government would be disastrous.

→ For the above reasons the question of the Concessions looms largest in Japanese minds at the present time, as it does

also in those of the interested neutrals. The concerted campaign against British interests, and studied friendship for the United States and France is a rather simple-minded effort to prevent concerted action by these three powers.

The action that may be taken by the three powers in this matter is of grave importance. The Japanese are quite clever in knowing how far they can go in attacking foreign interests without provoking positive action. They are fully aware of the disinclination of the United States to become involved in another war, and they understand fully the impotency of France and Great Britain, due to the situation in Europe. As for the powers, a decision to do nothing, other than make paper protests, will probably lead to their expulsion. If any positive action is taken, such as sanctions, and increase of military and naval forces, it may lead to war. The Japanese Navy has never approved of the Army's adventure in China, and have chafed to assert themselves in other ways. The Hainan and Spratley Island affairs were naval operations along the lines of their favorite plan of expansion to the southward. The opportunity to drive the comparatively weak naval forces of the three powers out of the Far East would be most tempting. It is an interesting and critical situation that may involve decisions of the utmost importance in the near future.

A foreign war would give the Japanese Army an excuse for withdrawing from its predicament in Central and South China without loss of prestige. This feature should be given consideration by the neutral powers. Until the Japanese Army is discredited in the eyes of their own people through its failure to carry out the grandiose plans of the General Staff, it will always remain a powerful and sinister influence against the peace of the Far East.

In case of war, the situation of American, British, and French nationals in the Far East will be serious. Those in Japanese controlled areas will undoubtedly be interned in prison camps, and possibly held as hostages.

The eventual outcome of the war, however, would be the defeat of Japan, and her elimination as a disturber of the peace of the Far East for many years.

7. POLICIES OF INTERESTED POWERS.

(a) Policy of the United States.

The policy of the United States in the Far East has been stated as follows:

".....the taproot of American policy in Asia is most-favored nation treatment. An attitude of self-righteousness is

neither becoming nor justified. American policy is not philanthropic; it is not in its motive and history benevolent; but it is beneficent, for the United States is so situated that American issues in Asia are best promoted by the growth of strong, prosperous and enlightened Asiatic states. Indeed it is difficult for an American to believe that the repression or weakening of any part of Asia is a benefit to any power. The United States is committed to its policy by geographical, economic, and political factors, and in the same measure is also bound to a policy of co-operation with all powers which sincerely profess a similar purpose." (Tyler Dennett - "Americans in Eastern Asia" - p. 680).

During the present controversy, the rights of Americans in the Far East have been upheld vigorously by the State Department. Had our notes been addressed to a government which retained control over its armed forces, some recognition of our rights might have been obtained. It is difficult to see how our position and policies could have been stated more clearly or more positively. It should be recognized however that the Tokyo government is generally impotent to deal with or give decisions regarding affairs and incidents in China. In many cases it is entirely ignorant of what is going on. It has been stated on good authority that the Foreign Minister was not aware of the seizure of the Spratley Islands by the Japanese Navy until a few hours before a protest was made by the French Ambassador.

The Commander in Chief, Asiatic Fleet, has recommended that for every note written, there should be some increase in the United States armed forces in the Far East. When dealing with a nation whose policies are determined by a ruthless military clique which worships the sword and understands nothing but force, such a procedure may have merit.

For our own future safety, we cannot permit a nation imbued with such ideals to acquire the power resultant from domination over the people and resources of China, and eventually, the Far East.

A free, stable, democratic government in China is essential to the peace of Eastern Asia and our own welfare, and every effort should be made to support such a government, and our own rights in the Far East, even if it results as a last resort in armed intervention.

(b) Policy of Great Britain.

The history of the British Empire records numerous occasions in the acquisition and control of territory. Her record in China is on the whole one of armed force. In 1900 when the

break-up of China appeared imminent, Great Britain was prepared to demand the great area of the Yangtze valley as her "Sphere of Influence."

Her foreign policy in the Far East has been dictated by her imperial and economic interests to a marked degree. She has been willing to support the United States, when it was to her interest to do so, and to support other nations at the expense of the United States, regardless of the ethics of the case, when she felt it was a better economic procedure. The case of Manchuria in 1932 is the most pronounced example of her Far Eastern policy.

Her dealings with the Chinese have never been conciliatory or on a friendly basis, but have been dictated, until recent years, by the "Old China Hand" who felt he had a God-given right to the great profits he had been making for years and in the cases of some families for several generations.

During 1931 and 1932, and also during the early part of the present "incident", prominent British business men have been heard to say that in their opinion, their trade in China would be better off if the Japanese were successful. Until quite recently there has been a strong probability of some secret agreement between Japan and Great Britain at the expense of China.

At the present time, such illusions have been dissipated, and there is a general well founded alarm as to their position in the Far East. It may be the beginning of the break-up of the Empire.

There are many fine features about the British colonial system which should be recognized. Until recent years, British colonies were open to foreign trade under few or no restrictions. Law and order were maintained, and justice to the individual provided to a great degree. The vast population of India has been governed by a few thousand Englishmen, a situation which would be impossible in the case of Japan which knows only the heavy hand in her rule over colonies. Hong Kong has been a free port open to ships of all nations.

At the present time, Great Britain is beginning to realize that her interests in the Far East depend for their continuance on the fundamental principle of the integrity of China. Whether the Tory element at present in charge of British destinies will whole-heartedly support such a principle remains to be seen.

The United States can rely on the assumption that any action taken to support the present Nationalist government will receive the backing of Great Britain. To us this is a major factor in our dealings with Japan. We should never become involved, single-handed, in Far Eastern disputes. The "pulling of chestnuts" is a mutual affair in this area.

There is of course the greater problem confronting the world today of the separation of democracies and totalitarian states into two armed camps. Unity of action of the democracies in any part of the world tends greatly to strengthen their position as a whole.

(c) Policy of France.

France has played the game of land grabbing and concession hunting in the Far East on a par with the other European powers. She now sees these colonial possessions and concessions threatened without adequate power to protect them. The French are very tenacious of their possessions, and France may be relied upon to support whatever action the United States or Great Britain may propose in the Far East.

(d) Policy of The Netherlands.

The Netherlands is assuming a position of strict neutrality with regard to every nation in the Far East. This has been carried to such a point that the Naval Commander in Chief of their forces in the Indies was refused permission to visit Manila and Hong Kong, since such visits might be offensive to Japan. The naval and military forces in the Netherlands Indies are efficient, but entirely inadequate to defend the islands against Japan.

The authorities fully realize their predicament and will probably align themselves with the other powers against Japan at the first indication of danger.

(e) Policy of Russia.

Russia has announced that she will never go to war to obtain additional territory, but will defend every inch of her present boundaries. So far there is every indication that she is sincere in that statement.

The enmity that has existed between Japan and Russia for years, coupled with the perennial disputes over fisheries, and the desire of Japan to possess, at least, the Maritime Provinces, renders very probable, at some future date, a war between these two countries.

Japan will avoid war at the present time, due to her involvement in China, but her occupation and garrisoning of Inner Mongolia are preliminaries to what she considers the conflict that is bound to come.

The fighting ability of Russia's naval and military forces in the Far East is uncertain. The Navy consists mostly of

submarines, about 60 in number, which appear to be well trained. The Russian soldier is hardy and brave, and under good officers and an efficient staff, would give a good account of himself. The equipment of the Russian Army in the matter of artillery, tanks, and aircraft, is reported as excellent.

It is doubtful however, whether the officers are sufficiently trained in the handling of large forces. The numerous executions of leading officers, together with the Civil Commissar system of conducting military operations, are not conducive to success.

Japan has in Manchuria the highly efficient Kwantung Army of 350,000 men, together with great quantities of military stores. Reinforcements could be poured into this area rapidly.

The first phase of a Russo-Japanese war very probably would be in favor of Japan. The ultimate result, in view of the great potential strength of Russia in resources and manpower, will be doubtful. A principal factor would be the stability of the present Russian government.

As time goes on, Russia will probably increase her support of the Nationalist government, especially the forces in northwest China, and will avoid direct conflict with Japan as long as possible.

8. JAPANESE ARMY.

In its operations in China, the Japanese Army has shown itself to be a well-organized, well-equipped force.

In matters of supply and transportation it is excellent. The material for every kind of operation is available - artillery, both light and heavy, pontoons, landing boats of several types in great numbers, cavalry, aircraft, trucks, and ample ocean-going transportation.

When the Naval Landing Party at Shanghai was hard pressed by the Chinese in August, 1937, 70,000 troops were diverted from other areas, and landed in 12 days after the necessity arose.

Troops are transported in ordinary cargo vessels of 3,000 to 6,000 tons, each ship carrying from 1,000 to 1,500 men with their equipment. Large numbers of troops have been shifted quickly from one area to another on numerous occasions.

About 1,000,000 tons of shipping is at present engaged in the Army Transport Service.

During the summer of 1938, 7,000 craft of all sizes were reported as employed in the Yangtze operations and river service of supply.

The officers appear well trained in the duties of their grade. In matters other than military, they are generally stupid. Most of them are thoroughly imbued with the chauvinist doctrines of the Araki-Tanaka school, and have a contempt and hatred for all foreigners.

Their "Special Service Section" deals with political organization, espionage, propaganda, bribery, opium sales, assassinations, and other similar service. It is a unique and sinister body.

Charges of widespread graft among the Japanese -- particularly the Special Service Section, have been oft-repeated and it is not unlikely that considerable amounts have found their way into the pockets of the Special Service officers. Other types of graft which very probably have had an adverse effect on the campaign in China are prevalent. This was particularly true in the case of the organization which was set up for the purpose of distributing food, clothing, supplies, etc., free, or at nominal prices, to the Chinese in occupied areas in an effort to win them over. Vast sums were spent for these articles, but instead of being distributed as intended, the majority of them were found on sale in regular Japanese stores at high prices. Various forms of "squeeze" are practiced by Japanese officials throughout the occupied areas, and unless it is paid, many restrictions and prohibitions are encountered by foreigners and Chinese alike.

During the early days of the Japanese occupation of China the Japanese Army confiscated many factories and plants and proceeded to run them for the Army's account. With the establishment of the Asia Development Board, this practice was largely discontinued by the Army in favor of the Board. However, the Army still has a rigid control of the economic processes in the Shansi region, along the Tatung-Tungkwan railway. They consider this one of the most strategically important areas in the event of a war with Russia, and have set up factories, built power plants, and are, in general, engaged in the strict regimentation of the economic life of that region into channels of military usefulness and profit.

The "Young Officer Element", very probably a secret organization, is another unique section of the Japanese Army. It is, of course, unofficial. It is composed of hotheads and radicals, many of them on staff duty, who dictate policies and procedure, often against the opinions and desires of the Generals in command.

In matters other than actual military operations, the General Staff and Intelligence Sections of the Japanese Army are incredibly stupid.

This has been shown in two cases of major importance.

The first was the failure to recognize that the growth of national feeling in China would mean a major war if Japan persisted in her policy of alienating the five northern provinces of China.

The second blunder was the failure to appreciate that for the ultimate success of the campaign in China, the good will of the Chinese people must be obtained. Instead of making any effort to secure this good will, the army have looted, burned, slaughtered, raped, and carried out indiscriminate bombings of cities and villages all over China. All of this has been done with the approval and under the direction of the responsible officers of the Japanese Army and Navy. The result has been to instill a hatred in the hearts of the Chinese that will endure for generations.

The private soldier, coming mostly from the peasant class, is generally of sturdy physique and a good fighter, but is usually stupid. He can hardly be blamed for the atrocities committed against the Chinese populace, since in such matters he has been directed and encouraged by his officers.

His equipment and uniform is simple and extremely servicable. There is no waste of money on frills in the Japanese Army.

Most of the military operations undertaken in China by the Army have been successful. It should be remembered, however, that in such operations, they were fighting a poorly organized and equipped army of infantry, which had no artillery, tanks, aircraft, or trained high command or officer personnel. Given equal equipment, training, and leaders, it is believed that the Chinese would be better fighters due to their greater intelligence, and greater capacity of endurance.

The two years of war have been a great strain on the Japanese Army organization. Approximately 700,000 have been killed or wounded. The cost has been great in terms of money, war material and stores. There has been a loss of prestige and a general deterioration of morale and discipline of the troops in China. Several reports, believed to be true, of mutiny among the younger troops, especially in the Hankow region, with drastic counter measures, have recently been received.

9. JAPANESE NAVY.

The Japanese Navy is a highly trained organization, efficient in materiel and personnel.

Their ships are well designed and built, with particular emphasis on fighting characteristics.

Their armament and fire-control is believed to be equal, if not superior to that of the U.S. Navy. This statement is based on the fact that they have an army of agents and inspectors abroad buying samples of guns, mounts, and fire-control from Skoda, Bofors, Armstrong, Krupp, and Schneider, and from these they select the best and install it on their own ships.

Their fleet is exceptionally well balanced with the necessary units for all purposes, built and in commission.

Their aviation has made great strides during the past two years. Their cruisers are fitted with planes that could easily shoot down those of the AUGUSTA due to much greater maneuverability and fighting power. They have 3 new seaplane tenders built for the purpose as compared with our antiquated WRIGHT and LANGLEY.

Owing to their extremely low labor costs and the strict control by the military over the budget, the ability of Japan to build warships is far greater than a study of their economic structure would lead one to believe; therefore, it is possible that Japan, untrammelled as she is by any legislative restrictions, can out-build us in a naval race.

Due to extreme secrecy, no information can now be obtained in Japan as to tonnage or types under construction.

Officer personnel are generally a sturdy lot, well trained in their profession. Their Flag Officers average 6 to 10 years younger than ours - an important item.

They are good seamen and ship handlers. In the operations in the Whangpoo River in 1937, ships were moved night and day for three months, without lights, or navigational aids, with practically no casualties.

Their normal training area in the waters around Japan is much more difficult from the point of view of sea and weather than is our operating area in Southern California.

No information is available as to their skill in gunnery. It was noted that in the fall maneuvers of 1936, gunnery exercises were carried out while the fleet was making passage between Kobe and Yokohama. This may indicate a more flexible system of target practice than is permissible under our rigid and complicated rules.

Their enlisted personnel appear to be well trained. The men are generally of sturdy physique, and of fairly intelligent appearance. They are obviously of a much higher standard

than the Army personnel. They are drilled incessantly from morning till night. A Japanese officer once stated that their men liked to drill, but did not like to scrub decks or clean bright-work. Their ships are dirty as compared with ours.

The Japanese Naval plan for the expansion of the Empire is to occupy the islands to the southward - Philippines, Netherlands Indies, and Malaya. They have always opposed the Army's continental adventure.

There is great jealousy between the Army and Navy. As far as known, however, this has never interfered with the execution of the numerous combined operations of the present campaign. It may be a factor in future political developments in Tokyo.

Nothing is known of the efficiency of their submarines or aircraft carriers.

The Japanese Navy is a well organized, well trained force, possessing the necessary units to carry out an effective defense and maintain command of the sea in the Western Pacific against any single Power, or combination of Powers exclusive of the United States and Great Britain.

10. UNITED STATES NAVY.

The following comments and criticisms of our own Navy are offered solely with the idea that if it is agreed that they have any basis, improvement may be made which would increase our chances of success in war.

A fleet should consist of adequate materiel in the hands of efficient personnel as compared with that of the possible enemy.

Adequate materiel consists of sufficient fighting units, better armed, better armored, and faster than corresponding enemy types, and of the necessary types to carry out naval war.

The personnel must be better trained and more intelligent than that of the enemy. They must be able to shoot faster and more accurately with guns, mines, torpedoes and aircraft.

A Japanese admiral stated some time ago that they must make up for their shortage in materiel by a more highly trained personnel.

It is possible that the design organization in our Navy Department can be improved upon and made more efficient. Our materiel bureaus should be more closely coordinated in matters of design and expenditures. We should employ expert civilian designers to a greater extent than is now done. Money should be made available to obtain samples of the latest foreign ordnances and engineering material, in order that tests may be made to determine the comparative merit of our own designs.

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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

Our ships have entirely too much space and weight devoted to comfortable quarters at the expense of fighting characteristics.

We are lacking in minelayers, minesweepers, net-layers, anti-aircraft vessels, anti-aircraft armament, aircraft tenders, and the necessary auxiliaries in our fleet.

Our U.S. Fleet should be organized along more realistic lines. We should get away from an organization premised principally on a major fleet action under normal conditions, and every effort should be directed towards an organization designed to cope with our most likely enemy, or enemies, under conditions and in areas in which future naval action will probably take place.

The organization and training of our fleet would, in my opinion, be improved by extending its bases to San Francisco, Puget Sound, and Pearl Harbor in order to obtain the advantages of decentralization and of sea experience in waters and under climatic conditions other than those of Southern California.

Our War College should try to visualize naval warfare as it will be waged in the future instead of as it was in the past. Aircraft, submarines, attrition will be major factors in a future war.

There should be closer cooperation between the War College, General Board, and War Plans Division of Operations.

The War Plan should be as simple as possible, and should be drafted with a full recognition of the part that will be played in a future naval war by aircraft, submarines, mines, and commerce destruction.

The present unsatisfactory situation with regard to selection should be solved in order to remove the feeling of uncertainty and unrest that now exists in the commissioned personnel.

Our future wars should be naval wars. Never again should we send a huge army, or any army, overseas, except as garrisons for advanced bases. For this purpose, our Marine Corps and present Army are adequate.

Never again should we go through a period of hysteria, and astronomical expenditures such as we experienced in 1917-18, due mainly to the tragic blunder of raising an army of 4,000,000 men.

This whole subject has been so thoroughly and lucidly discussed by Major George F. Elliott in his book "The Ramparts We Watch" and in his article in the December, 1938 issue of Harper's Magazine that further comment is unnecessary. This book and this article should be read by every American citizen.

11. THE PHILIPPINES.

After our acquisition of the Philippines, two diametrically opposite policies were pursued.

Politically, the Filipinos were told that when qualified for self-government, they would be given their independence. This course was followed consistently by the enactment of Congressional Acts, and by turning over to the Filipinos as time went on, a greater part in the Island government. Finally by the enactment of the Tydings-McDuffie Act, the Islands will be given full independence in 1946.

Economically, the Islands were bound to the United States by the establishment of virtual free trade in a special Act passed by Congress in 1909, and the great volume of trade and special industries that have been developed subsequent to that Act.

The Islands are now confronted with the practically insoluble problem of adjusting their economic conditions to the loss of the American market in 1946. If anything is certain in this world, it is that the economic conditions and standard of living in the Islands after 1946 will sink to that now existing in the Netherlands Indies and Malaya.

Furthermore the political situation in the Far East has greatly changed since 1936. The chance of survival of a weak, newly fledged nation launched upon its career at this time in this part of the world would be small indeed. Many Filipinos realize this and would gladly vote to remain under the United States if they dared to express their opinion. Even Mr. Quezon is reported as weakening on his lifelong stand for independence, but lacks the courage to say so on account of the possible "loss of face."

The Tydings-McDuffie Act was passed as a result of pressure by interests in the United States hostile to Philippine imports, and through the efforts of the Filipino politicians who were working for independence. No effort was made to investigate in any manner the political and economic future of a free Philippine nation, although its fate was fairly obvious at that time.

The Bill was no credit to any of the elements that secured its passage, nor to the United States.

We have a moral responsibility for the future of the Islands that cannot honorably be disregarded. The larger part of the population was born under the American flag. Their standards of living, sanitary and educational systems developed under our guidance, will disappear. For forty years they have been free from the danger of a foreign war. The fact that our flag is flying over them has been and would be in the future their guarantee of protection.

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

The initiative to annul the Tydings-McDuffie Act, however, should come from the Filipinos themselves. Once this is done, the Act should be annulled, and the Islands should be considered a permanent part of the United States.

The problem of a naval base in the Philippines remains unsettled. The Commander in Chief has recommended that the Manila Bay - Subic area be decided upon as a naval base and that proper peacetime facilities be provided for the maintenance of the Asiatic Fleet.

It is not believed that our Congress will ever provide the funds for a first class fortified base in the Islands. Such a base would cost from 150 to 200 million dollars, and would require a garrison of many thousand troops and hundreds of aircraft for temporary protection. The fact that our flag flies over the Philippines is their best protection.

12. BASIS OF SETTLEMENT OF THE FAR EASTERN PROBLEM.

The views of the Commander in Chief, Asiatic Fleet, on this subject were contained in letter of 7 November, 1937, to the Secretary of the Navy, copy of which is forwarded herewith as enclosure (A). Nothing has happened in the 20 months that have elapsed since the letter was written to alter the opinions expressed therein.

It is strongly recommended that the four interested signatories of the Nine Power Treaty, France, Great Britain, Netherlands, and the United States, re-affirm in positive terms their position that no settlement of the Far Eastern problem will be recognized that is not in consonance with that treaty.

Also, every support should be given the present Nationalist government to enable it to continue the war. The head of this government, Chiang Kai-shek, is today the national hero of the great mass of the Chinese people. No other man approaches him in power and prestige. The problems that will confront this government when fighting ends are appalling, and will require the sympathetic support of every friendly nation for their solution.

When Chiang Kai-shek and his government fall, chaos will rule in China.

H. E. YARNELL

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

Al6-3 (7425)

UNITED STATES ASIATIC FLEET
U.S.S. AUGUSTA (Flagship)

00/jse

Shanghai, China
7 November 1937

From: The Commander-in-Chief, U.S. Asiatic Fleet.
To : The Secretary of the Navy.

Subject: Proposals for Solution of present Sino-Japanese Situation.

1. In any proposal to end the present Sino-Japanese war, or to arrive at an agreement which can be accepted by both nations, the following basic essentials should be provided for:

- (a) The agreement, as far as possible should be in consonance with the Nine Power Treaty.
- (b) It should recognize, and satisfy as far as possible, the claims of both nations.
- (c) It should encourage and support a strong central Government in China.
- (d) It should settle extraterritoriality, the maintenance of foreign troops in China, the status of Shanghai and other problems.

2. NINE POWER TREATY

In this treaty, the Contracting Powers, other than China, agreed "to respect the sovereignty, the independence, and the territorial and administrative integrity of China." (Art. 1 (1).)

Japan violated this treaty by the separation and establishment of a Japanese controlled government in Manchuria in 1931. She has spent huge sums in an endeavor to develop and colonize the country. She will not relinquish her claim on Manchuria without a decisive defeat in war.

On the other hand, the control by China of this area since the establishment of the Republican form of government has been weak, and at times entirely non-existent. It is probable that if Manchuria were returned today, the Central Government would not be able to assert control or to maintain law and order. In fact a return of Manchuria to the Central Government of China would be likely to hinder her definite control over the remainder of Chinese territory, the achievement of which has been the major effort of the present government.

Unless Manchuria is returned, however, the Nine Power Treaty stands violated, and the signatories can hardly recommend a settlement under the treaty which does not provide for its return. Consequently, any settlement under the treaty does not appear feasible without a disregard of its first and most important article.

Leaving the treaty aside, and, considering the situation as it actually exists, it would appear that China must acquiesce in the present status of Manchuria, unless she is able to retake it by force of arms. This is of course out of the question, and it is also obvious that no other nation is going to do it for her.

It is therefore believed that China and the Great Powers must recognize the present status of Manchuria or "Manchukuo." This will be a great concession to Japan and in order to obtain it she may consider her honor satisfied and be willing to accede to the other terms of the settlement, one of which would be to remove her troops from North China and to agree not to interfere in that area. The Premier, Prince Konoye, has stated officially that Japan has no intentions of acquiring more territory. The neutral powers should insist on the integrity of China south of the Great Wall.

3. GRIEVANCES

Japan's main complaints against China are generally,-

- (a) Alleged trend toward Communism.
- (b) General unfriendliness toward Japan resulting in boycotts, anti-Japanese societies, etc.
- (c) Increase in strength of Army which constitutes a threat against Japan.

It is obvious that the present Chinese Government has been and is generally opposed to Communism. The present fight for existence may drive her, however, into the Russian camp in order to obtain the necessary munitions and assistance to carry on the war.

The general hostility to Japan which has resulted in boycotts and demonstrations has obviously been brought about by the actions of Japan herself. Once she renounces any intention of seizing more territory, ceases interference with Chinese domestic affairs, and makes some demonstration of friendship and co-operation, Chinese hostility would soon disappear.

Chinese grievances are,-

- (a) The seizure of Manchuria.

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

- (b) The avowed intention of the Japanese Army to separate the five northern provinces.
- (c) Constant demand for political control in the form of advisers, etc.
- (d) Presence of large numbers of Japanese controlled troops.
- (e) Encouragement of smuggling in North China.
- (f) The insolence and truculence of Japanese troops in North China and in Shanghai.

Incidents have been inevitable and bitterness between the two nations has increased.

The validity of the Chinese grievances cannot be denied. They could be eliminated by the withdrawal of Japanese troops from China, and by placing the relations between the two countries in the hands of the civil instead of the military authorities. To an outsider, it seems stupid and incomprehensible that Japan, who could gain so much commerce and influence in China by a "good neighbor" policy, resorts to the opposite, and uses threats, sword rattling, and finally actual war, whether so called or not, in an effort to gain her ends.

4. STRONG CENTRAL GOVERNMENT

It is essential that in any settlement, a strong Central Chinese Government should be maintained and assisted in its control of the country. Such a government constitutes the greatest factor in the maintenance of peace in the Far East. Mr. Stimson has justly said of China: "the essentially peaceful character of her domestic and internal culture is now the main stabilizing factor of Asia." China, even if strong, would have no dreams of world domination. Her domestic problems will occupy the efforts of her rulers for many years.

During the past ten years the present Government has accomplished much in the face of vast difficulties. Roads have been built, schools and colleges established, streets widened and cities improved, and comprehensive plans developed and partly placed in operation for the improvement of the health and welfare of the people. There has been a new spirit abroad in the land.

Naturally, only a start has been made, and much remains to be done. The control of the Central Government is still weak in the remote provinces. There are still, as in every government, many incompetents, grafters, and even traitors, but they were gradually being replaced and the power of the Government extended.

The tragedy of the present situation is that this great reconstruction is suspended, perhaps for many years, and energies and funds must be devoted to war. In case of defeat and loss of territory, the present Government may fall with none to replace it, while the country reverts to internal strife and war-lordism. To avoid such an outcome is the major problem to be solved.

The Generalissimo, as head of the present government, should be retained. There is none with sufficient background and prestige to replace him. The work of Madame Chiang Kai-shek in assisting the Generalissimo, and in establishing the "New Life Movement" has done much to further progress under the present Government.

5. EXTERRITORIALITY, ETC.

If a settlement can be reached which assures the retention of a stable government in China, it would strengthen the hands of such a government if the questions of exterritoriality, retention of foreign troops in North China, the Shanghai problem and other infringements on Chinese sovereignty could be disposed of.

The abolition of the privileges of exterritoriality for American nationals has been promised the Chinese Government by the United States as long ago as 1903. In article 15 of the treaty concluded in that year between the United States and China, the American Government agreed that it would be prepared to relinquish the jurisdiction which it exercised over its nationals in China "when satisfied that the state of the Chinese laws, the arrangements for their administration, and other considerations warrant it in so doing."

Germany and Austria lost this privilege during the Great War.

Russia has voluntarily renounced her claim.

There is no evidence that the nationals of these countries have suffered in any degree in consequence.

The presence of foreign troops in North China is an aftermath of the Boxer Rebellion. These troops should be withdrawn as soon as the Central Government has established definite control with Central troops in that area.

If Shanghai survives the present ordeal, and it will of course, the present status and form of government should be radically altered. The Shanghai Municipal Council can govern after a fashion in time of peace. The Consular Body has no real authority. Foreign troops have protected part of the Settlement, but also have been the cause of vast destruction in the remaining section of the city on two occasions. A Chinese city of Shanghai

adjoins the International Settlement and French Concession. The "external roads areas" are sources of constant friction.

What the solution should be is beyond my ability to suggest. Perhaps an arrangement similar to the Special Areas of Hankow might be effective. It is a great problem requiring able and liberal minds for its solution. And in its solution the sovereignty of China must be given full consideration.

There are other questions that should be discussed and agreements reached, such as foreign warships in Chinese waters, the use of Chinese coastal waterways and rivers by foreign merchant shipping and the foreign residential areas in certain cities.

Whether such an understanding and agreement as outlined above can be reached depends almost entirely on whether it will be accepted by Japan. And it is hardly possible that it will be accepted as long as the Japanese Army dictates her foreign policy. Their dream is of Far Eastern domination by ruthless force regardless of cost or the subsequent suffering they will bring on their own people.

Until the liberal and enlightened element of the civilian Japanese leaders obtain control over their foreign policy the outlook for a just and permanent solution of this Far Eastern problem is not encouraging.

6. TO SUMMARIZE

- (a) A strong Central Chinese Government must be supported and maintained.
- (b) China and the Western Powers will recognize the present status of Manchukuo.
- (c) Foreign troops will be withdrawn from North China as soon as the Central Government establishes its authority over this area.
- (d) The right of extraterritoriality will be relinquished by such powers as still maintain it.
- (e) A commission will be appointed to study and report on the Shanghai problem. This commission will be composed of an equal number of Chinese and foreign members.
- (f) When assured that the Chinese Government can afford adequate protection to their nationals, the respective governments will withdraw their gunboats from Chinese waters.

7. FUTURE PROBABILITIES IN CASE NO SETTLEMENT IS ACCOMPLISHED BY THE POWERS.

- (a) Japan's military success in the present venture is practically assured. She has struck before the "New Life" had sufficiently matured to defend itself.
- (b) With no outside interference the military will prove its contention and will be more firmly in the saddle than ever.
- (c) The political and commercial domination of the greater part of China is only a matter of time. The ambitions of the Japanese military have been consistent and apparent for many years.
- (d) A war with Russia might somewhat retard the control of China. But Japan expects and possibly invites such a war because, with her country aroused and geared to war, she is in the best situation to conduct one. Also intelligence of her enemies has always been good and if she chooses war it will probably be won by her without too great an effort. Her objectives will be limited, namely, to acquire sufficient territory to remove any military threat from the mainland, an accomplishment long believed essential to future security by her military advisers.

Success in these enterprises will bring about a complete unbalance of forces in the Far East and the world, involving the destiny of civilization and the white race.

Should a satisfactory solution of the Chinese question be impossible within the near future there would seem to be but one course for the Pacific Powers to take; a joint agreement and definite action, commercial and, if necessary, military, to curb the uncontrolled ambitions of the Japanese imperialists.

H. E. YARNELL.

Copies to:

American Ambassador, Nanking
American Ambassador, Tokyo

7868

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

RECEIVED
DEPARTMENT OF STATE

1939 OCT 9 PM

DIVISION OF
COMMUNICATIONS
AND RECORDS

Division of
FAR EASTERN AFFAIRS
ADVISER ON POLITICAL RELATIONS

SEP 29 1939

Department of State

S. Mr. Secretary:

ADVISER ON POLITICAL RELATIONS
MR. HORNBECK
SEP 29 1939
DEPARTMENT OF STATE

488
SECRETARY OF STATE
September 16, 1939.
SEP 28 1939
NOTED

There is attached (sent to you by Admiral Stark) a copy of a full report which Admiral Yarnell made to the Secretary of the Navy under date July 20, 1939 on the subject "The Far Eastern Situation". I feel moved to call to your attention some of the views which Admiral Yarnell expresses in this report, as follows:

F.W. 793.94/15339 (1) Japan will intensify its campaign against the foreign concessions. This campaign is the major one in Japanese minds. Taking over the concessions, thus acquiring control of trade and finance and capturing the silver stocks, would be equivalent to many victories on the battlefield. It would also mean elimination, perhaps only temporarily, of the white race from China and would, consequently, spur Japan to greater efforts to terminate the "incident" successfully. Conversely, the effect on the Chinese Government would be disastrous. The campaign against British interests coupled with studied friendship for the United States and France is a simple-minded effort to prevent concerted action. (pages 8-9)

(2) The Tokyo Government is generally impotent to deal with affairs in China. In many cases it is entirely ignorant of what is going on. Japan's policies are determined by a ruthless military clique which understands nothing but force.

The

F.W. 793.94/15339

F/FG

- 2 -

The Commander in Chief, Asiatic Fleet, has recommended that, for every note written, there should be some increase in United States armed forces in the Far East. (page 10)

(3) A free, stable, democratic government in China is essential to the peace of eastern Asia and our own welfare. For our safety, we cannot permit a nation imbued with the views of Japan's ruling clique to acquire the power resultant from domination over the people and resources of China. We should support a free government in China, and our own rights in the Far East, even if it results as a last resort in armed intervention. (page 10)

(4) In dealing with Japan we should recognize that any action supporting the Chinese Government will receive the backing of Great Britain. (Note: This was written before the Russo-German non-aggression agreement and recent reports of Anglo-Japanese discussions looking toward basic agreement. Today Admiral Yarnell might assert that our action would in fact be to Britain's long-time advantage. The primary emphasis in this part of Admiral Yarnell's report was upon the essential unity of interests and the need for unity of action by the democratic countries.) The "pulling of chestnuts" is a mutual affair in the Far East and we should never become involved in disputes singlehanded (i.e. presumably, allow ourselves to be maneuvered by the Japanese into a position of isolation when British and other European interests are basically similar). (pages 11-12)

(5)

- 3 -

488

(5) The four interested signatories of the Nine Power Treaty, i.e. France, Great Britain, the Netherlands, and the United States, should re-affirm in positive terms that no settlement will be recognized that is not in consonance with that treaty. Also, every support should be given the Chinese Government to enable it to continue the war. Chiang Kai-shek is the national hero of the great mass of the Chinese people. If his government falls, chaos will rule in China. (page 20)

Stanley K. Hornbeck

PA/H:AH:ZMK

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

489

DEPARTMENT OF STATE
ADVISER ON POLITICAL RELATIONS

SEP 13 1939

FE

*Copy sent to Amb. Grew
in the pouch of
Sept. 16, 1939
without covering
letter*

Ambassador Grew requests that a
copy of ~~a~~ ^{the} report received from Admiral

H. E. Yarnell, U.S.N., Commander-in-Chief,
Asiatic Fleet, under date of July 20, 1939,
on the "Far Eastern Situation", be sent
to him at the American Embassy at Tokyo.

793.94/15339

Division of
FAR EASTERN AFFAIRS
SEP 29 1939
Department of State

PA/H: FD

SEP 15 1939

*Two copies of Ad. Yarnell's
report handed to Mr. Hornbaker*

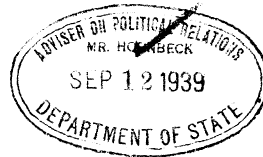
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

490

September 11 1939

In reply refer to
FE 793.94/15339



My dear Mr. Edison:

I acknowledge, with thanks, the receipt of the Navy Department's letter under date September 1, 1939, enclosing a copy of a report dated July 20, 1939, from the Commander-in-Chief of the United States Asiatic Fleet in regard to the Far Eastern situation.

Admiral Yarnell's report has been read with interest and the courtesy of your Department in furnishing me a copy of it is much appreciated.

Sincerely yours,

Cordell Hull

793.94/15339

The Honorable

Charles Edison,

Acting Secretary of the Navy.

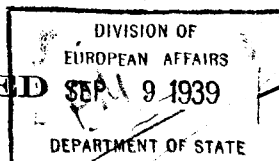
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9/9

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F/FG

15855

TELEGRAM RECEIVED



BJS

TOKYO

A portion of this tele-
gram must be closely
paraphrased before being

FROM Dated September 5, 1939.

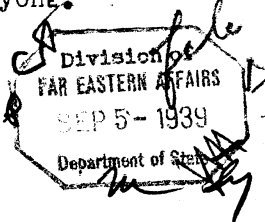
communicated to anyone.

Rec'd 10: a. m.

(br)

Secretary of State

Washington



Tel. to Tokyo

COPIES IN PARAPHRASE
SENT TO O.N.I. AND
M.I.D. IN CONFIDENCE
REK

Rush 458, September 5, 7 p. m.

One. I was called to the Foreign Office by the Vice
Minister for Foreign Affairs who informed me that he had,
on behalf of the Minister for Foreign Affairs, handed to
the representatives of the belligerent powers a note. A
copy of this note was then delivered to me with the request
that I communicate it to the American Government "for its
information". The Text of the note in translation is as
follows:

"In the face of the war that has just broken out in
Europe, the Japanese Government intend not to be involved
therin, but will concentrate their efforts on the settle-
ment of the China affair. In this connection the Japanese
Government, to whom the attitude of the powers towards
the situation in China is a matter of deep concern, desire
to request that the Government, appreciating the said
intention of the Japanese Government, will refrain from
taking

taking

793.94/15340

F/FG

793.94

note

740.00111-

European

1939

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

15856

BJS -2- September 5, 10 a. m. from Tokyo

taking any such measures as may prejudice Japan's position in regard to the Chinese affair.

Furthermore, with regard to those regions of China which are under the control of the Japanese forces it is apprehended that the presence therein of the troops and warships of the countries taking part in the European war may give rise to untoward incidents and to a situation not in keeping with Japan's policy of noninvolvement. The Japanese Government therefore consider it necessary to offer a friendly advice to the belligerent powers concerned that they should voluntarily withdraw their troops and warships from the regions referred to above. It may be added that, upon the withdrawal of such troops and ships the Japanese Government authorities are prepared to exercise their utmost efforts for the protection of the lives and property of the nationals belonging to the belligerent powers".

(End Section One)

DOOMAN

CSB

1877
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

15857

TELEGRAM RECEIVED

CJ

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

FROM

TOKYO

Dated September 5, 1939

Rec'd 9:50 a.m.

Secretary of State,

Washington.

RUSH.

458, September 5, 7 p.m. (SECTION TWO)

Two. Sawada added orally that it is a primary concern of the Japanese Government that there should arise no condition within the areas in China occupied by the Japanese forces which might eventually lead to the involvement of Japan in the war in Europe. I said that I had great difficulty in visualizing any conflict which might arise in the occupied areas in China between the nationals or armed forces of the belligerents of such character as to bring about the involvement of Japan in the European war. Sawada said that a case was reported this morning of British sailors breaking in the German Club in the International Settlement at Shanghai and that it was desired to prevent recurrence of cases of this kind or of cases even more grave. I then inquired whether the request to belligerent powers that they withdraw their forces in China is intended to apply to forces maintained
by

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

15858

-2- #458, September 5, 7 p.m.; (SEC. TWO) from Tokyo

by the belligerents in International Settlements and the foreign concessions: whether, for example, it was the desire of the Japanese Government that the British withdraw their forces from the International Settlement in Shanghai and that the French withdraw their forces from the French Concession. This reply was an unqualified "yes". The conversation with regard to this matter was concluded at that point (END SECTION TWO).

DOOMAN

PEG

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

5859

BJS

TOKYO

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

1-1236

Rec'd 10: 50 a. m.

FROM

Secretary of State

Washington

RUSH 458 September 5, 7 p.m. (Section three)

Three. I took advantage of the opportunity to inquire whether a report in the press this morning to the effect that the Japanese Government would not issue a formal proclamation of neutrality was correct. Sawada stated that the position of Japanese government had been made clear in the statement issued by the Cabinet last night (see our 455, September 4, 9 p. m.) and that no further action along this line was contemplated for the present.

Four. The private secretary to the Foreign Minister informed me subsequently that the note above quoted had been handed to the German, French, British and Polish Ambassadors as representatives of the belligerent powers and that a copy thereof had been handed to the Italian Ambassador, as well as to me, as representatives of the neutral powers.

Repeated to Shanghai. Shanghai please repeat to Chungking and Peiping .

(END MESSAGE)

PEG

DOOMAN.

DECLASSIFIED: E.O. 11652, 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)

PARAPHRASE

15881

A telegram (no. 458) of September 5, 1939, from the American Embassy at Tokyo reads substantially as follows:

Sawada (Vice Minister for Foreign Affairs) summoned the American Chargé to the Foreign Office and informed the Chargé that, on behalf of the Minister for Foreign Affairs, he (Sawada) had handed a note to the diplomatic representatives of the belligerent countries. Sawada gave the American Chargé a copy of the note, of which the following is a substantial translation:

Confronted by the recent outbreak of a European war, the Government of Japan plans to avoid becoming involved in that war and to devote its energies to settling the China incident. In connection with this intention and in view of the profound concern with which the Government of Japan regards the attitude toward the situation in China taken by other nations, the Government of Japan desires to ask that, in deference to the Japanese Government's above mentioned intention, no measures of a character likely to affect injuriously the position of Japan with reference to the China affair be taken by the Government. With respect, moreover, to areas of China controlled by Japanese forces, it is to be feared that the presence in such areas of naval vessels and troops belonging to powers participating in the conflict in Europe might result in unfortunate incidents

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

CONFIDENTIAL

-2-

incidents and in a condition of affairs ill adapted to Japan's noninvolvement policy. The Government of Japan accordingly believes that it is incumbent upon it to proffer to the belligerent nations in question friendly advice that they effect -- as a voluntary act -- the withdrawal of their naval vessels and troops from the above mentioned areas; and, it may be added, the Japanese authorities, upon the removal of these vessels and troops, will be prepared to exert every possible effort toward safeguarding lives and properties of citizens of the belligerent nations.

The Chargé was later told by the Foreign Minister's private secretary that the British, French, Polish and German Ambassadors, representing the belligerent nations, and the Italian Ambassador, as well as the American Chargé, as representatives of neutral nations, had been handed the above quoted note.

In handing the copy of this note to the American Chargé, the Vice Minister for Foreign Affairs asked the Chargé to communicate it to the Government of the United States for "its information". With reference to the note, he orally added that his Government considered it of primary importance to avoid the development of any situation in territory of China under the control of forces of Japan which might ultimately result in Japan's becoming involved in the European war. The Chargé remarked that

the

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

CONFIDENTIAL

-3-

the possible breaking out in occupied territories of China of a conflict between the armed forces or citizens of the warring nations of a nature to cause Japan to become involved in the war in Europe was exceedingly difficult for him to visualize. The Vice Minister stated that on the morning of September 5 an incident was reported involving invasion by British naval ratings of the German Club in the Shanghai International Settlement and that the prevention of further such incidents and of cases even more serious was desired. The Chargé then asked if the Japanese request in regard to removal of forces in China of belligerent nations was to be construed as applicable to forces which the warring countries maintain in the foreign concessions and international settlements -- if, for instance, the withdrawal by the British and French of their forces from the Shanghai International Settlement and French Concession, respectively, was desired by the Japanese Government. To this Sawada answered "Yes" without qualification, and discussion of the subject thereupon ceased.

Utilizing the occasion presented, the Chargé inquired as to the accuracy of a statement to the effect that no formal proclamation of neutrality would be published by the Japanese Government which appeared in the press on the morning of September 5. The Vice Minister's reply was to the effect that the statement issued by the Japanese

Cabinet

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

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-4-

Cabinet the evening of September 4 had made clear the Japanese Government's attitude and that for the present no further steps in that direction were envisaged.

FE:ASC:JPS
9-6

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

PREPARING OFFICE
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TELEGRAM SENT

Department of State

Washington,

1939 SEP 6 PM 5 33

September 6, 1939.

AMERICAN EMBASSY,

LONDON.

813

On September 5 the Department addressed to the British and French Ambassadors identical inquiries in the form of a memorandum reading as follows:

QUOTE The Department has just received from the American Embassy in Tokyo a telegram stating that there has been given to the Chargé d'Affaires a copy of a note which has been handed to the Ambassadors of Great Britain, France, Germany and Poland, as representatives of the belligerent powers, and to the Italian Ambassador, as well as to the Chargé, in which the Japanese Government SUBQUOTE offered a friendly advice to the belligerent powers concerned that they should voluntarily withdraw their troops and warships from those regions of China which are under control of the Japanese forces END SUBQUOTE. The Japanese Foreign Office asked the Chargé to communicate this to the American Government SUBQUOTE for its information END SUBQUOTE.

Department assumes that the text of the note communicated to it is identical with the text communicated to the British [French] and other Governments named.

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

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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

Charge Department:

Full rate
 Day letter
 Night letter

- 2 -

Washington,

Charge to
 \$

jm The Department would appreciate being informed at the earliest possible moment what position (the British and the French [French and ^{the} British]) Governments contemplate taking in the presence of this communication UNQUOTE.

three

SAT

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JA
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Enciphered by _____

Sent by operator _____ M., _____, 19____

0884

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

PREPARING OFFICE
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Department of State

TO BE TRANSMITTED
 CONFIDENTIAL CODE

NONCONFIDENTIAL CODE ✓

PARTAIR
 PLAIN

Washington,

September 6, 1939.

1939 SEP 6 PM 5 33

AMERICAN EMBASSY,

PARIS.

775

On September 5 the Department addressed to the British and French Ambassadors identical inquiries in the form of a memorandum reading as follows:

QUOTE The Department has just received from the American Embassy in Tokyo a telegram stating that there has been given to the Chargé d'Affaires a copy of a note which has been handed to the Ambassadors of Great Britain, France, Germany and Poland, as representatives of the belligerent powers, and to the Italian Ambassador, as well as to the Chargé, in which the Japanese Government SUBQUOTE offered a friendly advice to the belligerent powers concerned that they should voluntarily withdraw their troops and warships from those regions of China which are under control of the Japanese forces END SUBQUOTE. The Japanese Foreign Office asked the Chargé to communicate this to the American Government SUBQUOTE for its information END SUBQUOTE.

End Subquote Subquote

Department assumes that the text of the note communicated to it is identical with the text communicated to the French [British] and other Governments named.

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

793.94/15340

F/FG

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

PREPARING OFFICE
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Collect { Full rate
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 Night letter

Department of State

Washington.

- 2 -

Charge Department:

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 Night letter

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The Department would appreciate being informed at the earliest possible moment what position the French and the British [British and the French] Governments contemplate taking in the presence of this communication UNQUOTE.

Amee

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Enciphered by _____

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

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

*Original handed to Mr. Truelle
 Counselor of French Embassy, Sept 5, 1939
 5882 JWB DCR
 AE*

September 5, 1939

The Department has just received from the American
 Embassy in Tokyo a telegram stating that there has been
 given to the Chargé d'Affaires a copy of a note which has
 been handed to the Ambassadors of Great Britain, France,
 Germany and Poland, as representatives of the belligerent
 powers, and to the Italian Ambassador, as well as to the
 Chargé, in which the Japanese Government "offered a
 friendly advice to the belligerent powers concerned that
 they should voluntarily withdraw their troops and warships
 from" "those regions of China which are under control of
 the Japanese forces". The Japanese Foreign Office asked
 the Chargé to communicate this to the American Government
 "for its information".

793.94/15340

Department assumes that the text of the note com-
 municated to it is identical with the text communicated to
 the French and other Governments named.

The Department would appreciate being informed at the
 earliest possible moment what position the French and the
 British Governments contemplate taking in the presence of
 communication.

PA/H:SKH:ZMK:IJ

*Original controlled
 by Mr. Walker*

F/FC

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

*original handed to Mr. Miller
 1st Secretary of British Embassy
 Sept 5, 1939 JWB*

*DEF
 KE*

September 5, 1939

The Department has just received from the American Embassy in Tokyo a telegram stating that there has been given to the Chargé d'Affaires a copy of a note which has been handed to the Ambassadors of Great Britain, France, Germany and Poland, as representatives of the belligerent powers, and to the Italian Ambassador, as well as to the Chargé, in which the Japanese Government "offered a friendly advice to the belligerent powers concerned that they should voluntarily withdraw their troops and warships from " "those regions of China which are under control of the Japanese forces". The Japanese Foreign Office asked the Chargé to communicate this to the American Government "for its information".

793.94/15340

Department assumes that the text of the note communicated to it is identical with the text communicated to the British and other Governments named.

The Department would appreciate being informed at the earliest possible moment what position the British and the French Governments contemplate taking in the presence of this communication.

PA/H:SKH:ZMK:IJ

*original initialed
 by Mr. Welles*

F/FC

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Sept. 9, 1939.

Chungking's despatch 253 of July 3
encloses for the record the text of
a recent radio address delivered by
Wang Chung-hui. The speech follows
familiar lines and is adequately sum-
marized in the short transmitting
despatch.

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

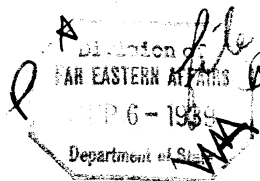


EMBASSY OF THE
UNITED STATES OF AMERICA
Chungking, July 3, 1939.

No. 253.

Subject: Radio Address of the Chinese Minister
for Foreign Affairs on Japanese Policy
in China and the Interests of the
Foreign Powers.

793.94



RECEIVED
DEPARTMENT OF STATE

SEP 2 1939

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Mr. Clegg			<input checked="" type="checkbox"/>
Mr. Glavin			<input checked="" type="checkbox"/>
Mr. Ladd			<input checked="" type="checkbox"/>
Mr. Nichols			<input checked="" type="checkbox"/>
Mr. Rosen			<input checked="" type="checkbox"/>
Mr. Tracy			<input checked="" type="checkbox"/>
Mr. Carson			<input checked="" type="checkbox"/>
Mr. Egan			<input checked="" type="checkbox"/>
Mr. Gurnea			<input checked="" type="checkbox"/>
Mr. Hendon			<input checked="" type="checkbox"/>
Mr. Jones			<input checked="" type="checkbox"/>
Mr. Mumford			<input checked="" type="checkbox"/>
Mr. Quinn			<input checked="" type="checkbox"/>
Mr. Nease			<input checked="" type="checkbox"/>
Mr. Tamm			<input checked="" type="checkbox"/>
Mr. Egan			<input checked="" type="checkbox"/>
Mr. Gurnea			<input checked="" type="checkbox"/>
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Mr. Quinn			<input checked="" type="checkbox"/>
Mr. Nease			<input checked="" type="checkbox"/>
Mr. Tamm			<input checked="" type="checkbox"/>

ONI-MIP

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

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to enclose as a matter of record a
1/ copy of the text of an address delivered by Dr. Wang Chung-
hui, Chinese Minister for Foreign Affairs, from the Chung-
king radio station on June 29 on the subject "Japanese
Policy and the Future of Foreign Interests in China." The
address was broadcast to Europe, presumably in the hope
that it might reach a large British audience.

Dr. Wang repeats the familiar Chinese contention that
the Japanese, simultaneously with their attack on China,
are endeavoring to oust all western interests from the
Asiatic continent and that the British have been singled
out as the first object of this attack. He argues that

other

SEP 12 1939

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

- 2 -

other western powers will sooner or later be faced with the same threat if the assault against British interests in China is successful. He points to the Japanese occupation of Hainan and the Spratley Islands and to the Japanese measures against the foreign settlements and concessions in China in support of his thesis. Dr. Wang therefore concludes that the "...Powers are now faced with the vital issue of whether to maintain or abandon their treaty rights in this part of the world..." He expresses the opinion that a compromise with Japan "...offers no lasting solution..." and declares that "...acceptance of one Japanese demand will give rise to new and more comprehensive demands."

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

✓
Enclosure:

1/ Text of speech.

Original and four copies to the Department
Copy to Peiping
Copy to Tokyo.

710

EFD:MCL

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

Enclosure No. 1
Despatch No. 253
Dated July 3, 1939

Source: Central News Agency

Date: June 29, 1939

Text of an address delivered by Dr. Wang Chung-hui
over the radio at Chungking on June 29, 1939.

Japanese Policy and the Future of Foreign Interests
in China.

The underlying motive behind Japan's unprovoked attack on China nearly two years ago was jealousy of China's rapid modernization. Japan makes no secret of the fact that the object of her invasion is the complete enslavement of the Chinese people, the control of all the natural resources of China and the monopolization of the trade of Asia. Under such conditions, China has only one way out, and that is to fight to the finish. Although the invader is in military occupation of part of our territory, our power of resistance becomes stronger and stronger as the war progresses.

Foreign Help Appreciated

The Chinese people appreciate the world's sympathy as well as the material assistance rendered this country by the peace-loving nations. All of you, who are anxious to preserve peace, can help us to carry on our fight to uphold the principles of democracy, freedom and respect for the rights of others. The assistance can be rendered in more ways than one. Remember that every Japanese article boycotted, every Japanese commercial order rejected, every Japanese financial transaction terminated, every shipload of war supplies for Japan embargoed contributes its share toward stopping aggression.

This undeclared war has now assumed a new aspect. It is this new aspect of Japan's continental expansion that forms the theme of my talk tonight.

For

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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 -

For the purpose of driving out all Western interests from the continent of Asia, Japan is now instigating an anti-foreign movement. It is an open secret that the violent campaign against foreigners in the Japanese-occupied areas in the form of demonstrations, meetings, distribution of posters, and so forth, are planned, financed and directed by the Japanese. The Chinese who happened to take part in such demonstration have absolutely no freedom, like the puppet officials. The Japanese-controlled press have been appealing to the people of Asia to "unite to drive out the foreigners", and carried such glaring slogans as "boycott British goods", "confiscate British property", "recover all British concessions", and "swear not to cooperate with the British."

Attack On Britain

Britain is singled out for attack now, as it is hoped to drive a wedge between the Powers with interests in the Far East by such tactics, but it is obvious that the flames of the Japanese-inspired anti-foreign movement will sooner or later spread to the doors of other Powers. A Japanese politician by the name of Seigo Nakano, during a recent visit to Shanghai, declared that "the object of Japan's campaign in China is not only China, but also Britain and America, who are Japan's real enemies."

This campaign to expel foreigners bag and baggage from Asia is not an overnight inspiration. The famous, or rather infamous, Tanaka Memorial of 1928 reveals somewhat in detail the Island Empire's policy of colonial expansion and advocates the necessity of coming to a clash with Great Britain. France, Russia, the United States and other Powers for the purpose of dominating the Pacific, and then struggling for world supremacy. In 1935, Hirota, then Foreign Minister of Japan, enunciated his three-point "Hands Off China" policy, which

was

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

- 3 -

was an attempt to achieve by diplomacy the sealing of the "open door" and the exclusion of foreign interests from China. The destruction of Western property and investments on this continent forms part and parcel of the made-in-Japan "New Order in East Asia" which may more appropriately be called "Disorder in East Asia."

Occupation Of Hainan

Japanese militarists, who are obsessed with the idea of a Divine Mission to "reform" the world, now feel the time is ripe to carry out the policy of southward expansion. That is why in February this year Hainan Island was occupied. The strategic importance of this island cannot be over-estimated, as it is situated between the Indian and the Pacific Ocean. This move is a direct threat to the Philippines and French Indo-China, and makes possible the severance of communications between Hongkong and other parts of the British Empire in the Southern Pacific. By building a naval and aerial base on the island, the Japanese can strike at Singapore, Guam, and even Australia and New Zealand. The next move of the invaders in a southerly direction was the occupation of the French Spratley Islands. These islands lie further south, and is one step nearer to the Philippines, the Dutch East Indies, Borneo and the Straits Settlements.

The intention to seize all foreign concessions and settlements in China has been manifested on more than one occasion by responsible spokesmen on behalf of Tokyo. The blockading of the Hankow French concession a few months ago, the landing of Japanese bluejackets on the International Settlement of Kulangsu last month, the instigating of incidents in Shanghai, and the blockading of the French and British concessions in Tientsin, all show that Japan is bent on seizing all the foreign concessions and settlements. It is no secret that

large

- 4 -

large numbers of riff-raff elements are even being organized to storm the concessions. Not content with their blockade of the Tientsin concessions, the Japanese warned the foreign warships and commercial vessels to leave the port of Swatow, and a further warning was given relative to other treaty ports.

Foreign Trade Suffers

The man-in-the-street should now fully realize that Japanese aggression on China is, at the same time directed against Western Powers. Japan is closing the whole China coast to foreign commerce through her blockade. She has for over a year closed China's longest river, the Yangtze, to foreign shipping, and she intends to do so indefinitely.

The Powers are now faced with the vital issue of whether to maintain or abandon their treaty rights in this part of the world. In my opinion, to come to a compromise offers no lasting solution, as it is the fixed policy of the aggressor to monopolize and preserve Asia exclusively for herself. The events of the past two years have abundantly shown that acceptance of one Japanese demand will give rise to new and more comprehensive demands.

The Chinese people abhor the indignities and outrages suffered by foreigners, particularly the British, at the hands of the Japanese in Tientsin and elsewhere, who seem to have lost all sense of decency. It would be too revolting for me to describe in detail the disgraceful treatment to which Englishmen and Englishwomen have been subjected. But to every cloud there is a silver lining. And the four hundred and eighty million people of China are confident that Right and Justice will ultimately triumph.

089

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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

September 8, 1939

Peiping's despatch 2189 of August 3 summarizes, from articles appearing in the press, Japanese plans for the development in north China involving a total capitalization of 247,500,000 yen including salt, clay mining, coal mining (the north China coal-producing area is to be divided into seven districts), iron mining and electric power. In addition the "Provisional Government" has announced plans involving substantial expenditures for highways, water conservancy, et cetera.

The Embassy states that it is, of course, too early to forecast the ultimate success of this program but that Japan is already reaping a number of benefits and unless the Japanese become mired in the morass of political complications or find themselves overextended in economic and financial ventures Japan should continue to reap increasing benefits.

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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

18180

FE
ATC
ET

No. 2189

Peiping, August 3, 1939

Subject: Japanese Plans for North China

PCA
file
WAX

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COMMERCIAL
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A-M/C
RECORDING DESK
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SEP 19 1939

OFFICE OF THE ADVISER ON
INTERNATIONAL AFFAIRS
GL SEP 26 1939
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. 2089 of June 9, 1939, in regard to Japanese plans for the development of North China, particularly the references in the Japanese and Japanese-controlled press as to desirability of securing capital for the industries in North China of primary interest to the Japanese, and to summarize an article in the Peking Chronicle of June 15, 1939, setting forth more details of Japanese economic plans for North China. As was stated in the above referred-to despatch, statements in the Japanese

DEPARTMENT OF STATE
ASSISTANT SECRETARY
OF STATE
SEP 18 1939
WAX

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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 -

Japanese and Japanese-controlled press must be accepted with reserve, but such statements are indicative of the nature and scope of Japanese plans for North China.

The article, with the characteristic Tokyo date line, refers to the successful establishment of the North China Telegraph and Telephone Company and the North China Transportation Company, as subsidiaries of the Japanese semi-governmental organization for the exploitation of North China, the North China Development Company. It is then stated that the North China Development Company has reached an agreement with the "Provisional Government", the Mengchiang regime, and the various liaison offices of the Asia Development Board (also known as the China Affairs Board, et cetera) for the establishment of a further number of subsidiary companies. The capital for these enterprises will be borne equally by the Japanese and Chinese - but it may be parenthetically remarked, if past performances are any criteria, that the Chinese share will probably be the enforced contribution of materials and properties.

According to the article in the Peking Chronicle, which is more or less duplicated in the Peking & Tientsin Times of June 21, 1939, the following subsidiary companies are planned:

1. The North China Salt Industry Company with a capitalization of ¥25,000,000;

2. A clay mining company with a capitalization of ¥7,500,000. The Japanese contributors to this enterprise include the Asahi Glass Manufacturing Company, the Japan-"Manchukuo" Aluminum Company, as well as the North China Development Company;

- 3.

- 3 -

3. The North China coal mines will be developed by newly-created Japanese companies, each charged with the development of one of the seven districts into which the North China coal-producing area is to be divided;

The seven districts are stated to be as follows: (a) the coal fields at Ta-wen-k'ou, along the Tsinpu Railway in Shantung, will be operated by a company capitalized at ¥25,000,000, under the management of the Mitsubishi Mining Company; (b) the coal fields at Tsinghsing, along the Chengtai Railway in Hopei, will be operated by a company capitalized at ¥20,000,000, invested by the Kajima colliery company; (c) the coal fields in Yi Hsien, Shantung, known as the Chunghsing collieries, will be operated by a company capitalized at ¥25,000,000, under the management of the Mitsui Mining Company; (d) the Tatung coal fields in North Shansi will be exploited and operated by a company capitalized at ¥60,000,000, of which ¥10,000,000 will be invested by the South Manchuria Railway Company and ¥20,000,000 by the North China Development Company, with possible future investment by the North China Transportation Company; (e) the coal fields at Taiyuan in Shansi, on the branch railway from Linch'eng to Taierchuang, will be operated by a company capitalized at ¥5,000,000, chiefly invested by the Okura Mining Company; (f) the coal fields at Tzechow in Hopeh and at Liuhokou in Honan, along the Peking-Hankow Railway, will be operated by a company capitalized at ¥10,000,000, of which a large part will be invested by the Meiji Mining Company; and (g) the coal fields in Shantung in
the

- 4 -

the vicinity of Tsuchuan and Poshan, on a branch line of the Lunghai Railway, will continue to be operated by the Shantung Mining Company, but the present capital of ¥5,000,000 will be doubled by investment by the North China Development Company.

4. The Lungyen iron mines in South Chahar are being operated by a company recently established with a capitalization of ¥20,000,000, jointly invested by the Mengchiang regime and the North China Development Company. An iron manufacturing company with a capitalization of ¥10,000,000 will be established to operate the iron works at Shihchingshan and at Taiyuan - the present furnace at Shihchingshan is to be enlarged to daily capacity of 320 tons and a second furnace of the same capacity is to be constructed; the Taiyuan Iron Works already has two furnaces, one of 120 ton capacity and the other of 40 tons;

The merger of the Shihchingshan and the Taiyuan iron works companies, at the above-mentioned capitalization, is to be developed largely by the Japan Steel Works, which will contribute capital and technical assistance. It is stated that a new company will be organized, either at Tatung or at Tientsin, with the joint investment of the North China Development Company, the Japan Steel Works, and other iron firms in Japan, at which time all existing iron companies in North China will be merged with the new company.

6. A new Electric Power and Electric Lighting Company is projected, with a capitalization of ¥40,000,000, to take over the management of the various electric companies in Tientsin and the east Hopeh district, and the Tientsin Tramcar Company. This company will cooperate with the East Asia Electric Company, a special unit of the Electric Power Federation, for the unified control of the electric industry. Another company will be established for the management of the electric industry in Shantung, but eventually this company will be merged with the above-mentioned company.

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

- 5 -

In other words, accepting the Japanese statement of future purposes, enterprises with a total capitalization of ¥247,500,000 are to be established. The proportion of investment in money to investment in materials and properties, the greater part of the latter being of former Chinese ownership, is not stated.

In the July 1939 issue of North China, a Japanese-language magazine, the present status of national policy companies in North and Central China is discussed, particularly with reference to future developments. It is pointed out that the North China and the Central China Development Companies were established for the development of industries, the rehabilitation of commerce, and the construction of a new order in East Asia. It is admitted that the Japanese plans for the economic reconstruction of North China have been slow in materialization, due chiefly to (1) absence of decision as to the ultimate policy to be pursued, (2) lack of coordination between agencies, governmental and others, in Japan and in the occupied areas, and (3) failure to establish peace and order throughout the occupied regions. The article then states (rather optimistically) that these impedimenta have now been removed and that the coming year will see all preparations complete and the achievement of material results.

Side by side with these avowedly Japanese plans, there exist certain inter-related development projects which are publicized as being the plans of the "Provisional Government", but which are no less the products

of

- 6 -

of Japanese sponsorship.

The Reconstruction Administration of the "Provisional Government" has announced in the vernacular press that the sum of FRB \$23,750,000 is being spent in the present fiscal year for various reconstruction enterprises. Highways account for FRB \$12,500,000 of the total amount, including a highway linking Peiping, Tungchow and Tientsin, Peiping and Shihchiachwang, Peiping and Kalgan, and Peiping and Kupeikou. Water conservancy will absorb FRB \$7,500,000, including water transportation on the Grand Canal, the development of the Yungting River, and the deepening of the Haiho. The modernization of Peiping, Tientsin, Tsinan, Hsuechow, Taiyuan and Shihchiachwang will account for the balance of the funds appropriated for reconstruction.

It is announced that public motor roads totalled 24,400 kilometers prior to the Incident and that 14,000 kilometers have now been added. The transportation business, by buses and trucks, is under the control of the North China Automobile Company and the Mengchiang Automobile Company, both controlled by the North China Transportation Company. It is stated that navigable inland waters, excluding the canals, total 2,494 kilometers. The North China Transportation Company, in conjunction with the Japanese military, is reported to have worked out an impressive plan of river deepening and widening (to enable the transportation of coal from the Chinghsing and Shansi mines and the transportation of Tatung coal and Lungyen iron ore, the latter two commodities by the Yungting River).

Tientsin

- 7 -

Tientsin is of course the center of waterways in North China, with a number of rivers and tributaries converging at that port. This would account for the plans for the development of that port, plans which avoid the British and French concessions and are aimed to reduce the concessions to economic impotency.

A listing of the enterprises, either productive of raw materials, productive of goods for direct consumption, or classifiable as public utilities, demonstrates unequivocally the vastness of the Japanese plans for North China. Railways, highways, waterways, air services, telegraphs and telephones, electric power, gold, iron, coal, and various ores and minerals, alum, salt, cotton, not to mention the infinite variety of export products - all have come or will come under Japanese control or will pay tribute in one form or another to the Japanese invaders. It is of course too early to forecast the ultimate success of this program, because of the considerable element of political vicissitude and in part because of the very vastness of the program. However, Japan is already reaping a number of benefits and, unless the Japanese become mired in the morass of political complications or find themselves over-extended in economic and financial ventures, Japan should reap increasing benefits.

The amount of coal shipped from North China to Japan during 1938 will, according to Japanese estimates, be doubled during the present year. The amounts of iron and salt, both of vital importance to Japan, are also

estimated

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

- 8 -

estimated to show very substantial increases - particularly as the Lungyen mines and the Changlu salt fields are reputedly the subject of intensive exploitation. These are but passing examples of the achieved profits from the invasion of North China.

A prediction as to the future of foreign interests in North China must be held in abeyance pending a resolution of the political conflict. Under present conditions, however, the future seems dark. Systematic Japanese exploitation of North China is definitely an economic threat to the foreign interests, especially as the exploitation is backed by restrictions and embargoes, and by thinly-veiled discrimination. Aside from these actualities, the very nature of the economic system now foisted upon North China constitutes a menace to foreign interests, particularly those outside the Rome-Berlin-Tokyo axis, in as much as the self-contained economic system and the free exchange system are using North China as a battlefield, with the former having the immediate advantage of bayonet backing. In some degree, the economic struggle in North China, which may well spread to Central and South China in the not too distant future, reflects the world-wide struggle between autarchic and democratic systems.

Respectfully yours,

For the Ambassador:

Frank P. Lockhart
 Frank P. Lockhart
 Counselor of Embassy

Original and 2 copies to the Department.
 Copy to Embassy, Chungking.
 Copy to Embassy, Tokyo.
 Copy to Consulate General, Shanghai.
 Copy to Consulate General, Tientsin.

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 CSR-JK

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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

September 11, 1939

Nanking's despatch no. 34 of August 4 encloses and summarizes a French press article on the military situation in China which, while interesting, merely repeats well-known facts and views: that the Japanese are bogged down in south and central China; that, realizing the vital importance of Shansi to their politico-military program in north China, they have been concentrating their energies on their ninth and most thorough attempt to conquer the Province as a necessary preliminary to advance on Sian and Outer Mongolia.

In the last paragraph (page 3 of despatch), which you may care to read, the Consul, commenting, discounts predictions that in September the Japanese would launch a drive on all fronts in the hope of ending the hostilities, but feels that they are likely to make further efforts to conquer Shansi, with some prospects of eventual success. (The French press article considers failure more likely.)

793.94/15343

RH
FE:Chase:HJN



No. 34

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Nanking, China,
August 4, 1939.

SUBJECT: Military Situation in China.

For Distribution Check		Yes	No
General	G		
In U.S.A.	Club	<input checked="" type="checkbox"/>	
		M/H-MID	

COPIES SENT TO
MIL AND M.I.D.

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to this office's despatch
No. 19 of April 4, 1939 in regard to the military situation
1-2/ in China, and to enclose in the French original and English
translation a copy of an editorial appearing in LE JOURNAL
DE SHANGHAI of July 25 under the title "The Military Opera-
tions in China", with map attached.

It will be observed that the writer of that editorial
believed that the Japanese are not at present in a position
to make any important drive in the Yangtze Valley and that
no extension into the interior of south China from the

occupied

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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

September 11, 1939

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FE:Chase:HJN

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



No. 34

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

FL
1/1/34

CA
file

AMERICAN EMBASSY
Nanking, China,
August 4, 1939.

793.94

m
SUBJECT: Military Situation in China.

DEPARTMENT OF STATE

1939 SEP 5 PM 3 13

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DIVISION OF
COMMUNICATIONS
AND RECORDS

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COPIES SENT TO
HOLLAND M.I.D.

EL

793.94/15343

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

Sir:

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No. 19 of April 4, 1939 in regard to the military situation
1-2/ in China, and to enclose in the French original and English
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DE SHANGHAI of July 25 under the title "The Military Opera-
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ASSISTANT SECRETARY
OF STATE
SEP 1 1939
DEPARTMENT OF STATE

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to make any important drive in the Yangtze Valley and that
no extension into the interior of south China from the

occupied

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

- 2 -

occupied ports is now contemplated; in the north, however, a new offensive has been launched in Shansi Province. The difficulties of carrying on military operations in the mountainous terrain of that region are outlined in the article, and the writer points out the known fact that a crossing of the Yellow River for the capture of Loyang and Tungkuan, and the consequent threatening of the communications between China and the Soviet Union which center at Sian (Shensi), is likewise no easy undertaking by reason of the existence of natural obstacles. He notes, however, that the Japanese have this time thrown in action heavy effectives and powerful equipment. The Chinese, using the same encircling tactics consistently favored by the Japanese, have heretofore made a merry-go-round of the Shansi fighting and are solidly entrenched in the high mountains; because of the province's strategic importance for both China and Russia, the editorial writer considered that the Chinese and the Russians as well will do everything possible to deny the Japanese access to Shansi.

The editorial observed that the present campaign is the ninth the Japanese have launched. If the province is important for the Chinese power in Northwest China, it is equally important for the success of the Japanese politico-military program in North China, and Japanese troops have in fact occupied points there since the early days of the hostilities. The very circumstance that there have been so many previous failures by the Japanese to thrust the Chinese troops from the province is an added reason why now, when they have on their hands no major operations elsewhere, they should make a determined effort to accomplish

the

- 3 -

the shattering of Chinese military force in Shansi Province. As the National Government learned from its anti-Communist campaigns of 1932 and 1933 how to break the Communist hold on Kiangsi Province in 1934, the Japanese strategists will doubtless have improved their strategy in regard to operations in Shansi in the course of the past two years. They possess artillery fire-power and an air force which the Chinese cannot match. It is not certain that they will achieve their objective in Shansi by means of the present campaign; however, it would appear that they have made more adequate preparations than heretofore, and that their previous failures are no certain indication of future failure to establish their power in that province.

The editor suggested that Japanese control of Shansi would be followed by an attack on Sian and would also constitute a threat to Outer Mongolia. That estimate of the situation is supported by the Chungking UNITED PRESS report that "foreign military observers" expected the Japanese Army to launch a drive on all fronts in September in the hope of bringing an end to the hostilities, the immediate objectives to be Sian, Ichang (Hupeh) and Nanning (Kwangsi).* It is quite within the realm of possibility that various new drives will separately be launched by the Japanese against such points as Ichang, Changsha or Sian. There are nevertheless good reasons to believe that Japan does not intend, especially in view of the international situation, to embrace new heavy commitments in the interior of China, and it seems probable that the predicted new general drive will

*NORTH CHINA DAILY NEWS, July 31, 1939.

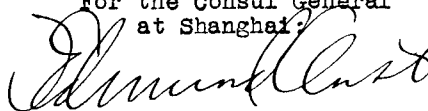
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 4 -

will not eventuate: the campaign in Shansi if successful would give Japan security for its North-China holdings and the region east of the P'ing-Han railway line, and at the same time increase the Japanese Army's freedom of action for any other eventuality. The Soviet Union, with the Japanese-controlled province of Suiyuan already bordering on the southern edge of Outer Mongolia, would perhaps not feel itself directly threatened in an important degree by Japanese control of Shansi, farther to the south than Suiyuan, until such time as the Japanese were to cross the Yellow River in force - and it is not certain that that time has yet come. It is therefore problematical whether the Soviet Union, on behalf of whom "well-informed quarters" in Moscow recently denied knowledge of Russian commercial credits totalling 750,000,000 gold rubles reported by the Chinese KUO MIN agency to have been extended to China,* would feel impelled in the present circumstances to do more than heretofore toward supporting the Chinese arms in Shansi Province. Thus far, the reports from Chungking would indicate that the current Shansi fighting has brought victories to the Chinese; however, it is not certain that final victory in that province will be theirs: without major help, the Chinese are fighting a losing battle against superior force, even in their native mountains.

Respectfully yours,

For the Consul General
 at Shanghai:



O. Edmund Clubb.
 American Consul

Enclosures:
 1-2/ As stated.

800
 EC:T

Original and four copies to the Department
 Copy to the Embassy, Chungking
 Copy to the Embassy, Peiping
 Copy to the Embassy, Tokyo
 Copy to the Consulate General, Shanghai

*NORTH CHINA DAILY NEWS, July 31, 1939; for KUO MIN report, cf. ibid., July 30, 1939.

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

SHANGHAI, MARDI 25 JUILLET 1939

Les opérations militaires en Chine

Sur les fronts du nord et du centre

Les opérations militaires en Chine paraissent actuellement se concentrer dans le nord. Le théâtre d'opérations du centre est stationnaire depuis l'attaque des monts Tahung du mois de mai dernier. A signaler quelques détachements qui, partis de Nanchang, ont poussé une pointe, le 18 juillet, le long du Kiangyang, à 40 kms au sud de Nanchang : cette opération localisée est de peu d'importance.

Par contre, beaucoup de villes et de régions sont évacuées par les Japonais ; les Chinois ont repris Tungshang, à l'est du lac Tungting, et Hwangmei, au nord de Kiukiang. Il semble que, la marine ne pouvant plus intervenir efficacement dans cette région, les opérations marquent le pas.

Dans le sud, les Chinois servent de près Canton. La marine a bien effectué des débarquements dans différents ports du Foukien et du Kouangtong, mais ces débarquements causent plus d'inconvénients au commerce des puissances étrangères que de gêne au gouvernement chinois. D'ailleurs aucun de ces débarquements n'a été poussé à l'intérieur du pays et depuis longtemps déjà le matériel de guerre n'arrivait plus par ces ports.

Les effectifs nippons paraissent peu importants et il est probable qu'aucune opération d'envergure n'est envisagée dans le sud de la Chine.

Depuis plusieurs mois, les Japonais ont redoublé d'efforts dans le sud du Shansi pour s'emparer des passages du Fleuve Jaune, et pénétrer dans le Honan par le nord en occupant Loyang et la passe de Tungwang. Par cette manœuvre, ils pouvaient s'assurer le tronçon du Pékin-Hankéou qui va de Chenghsien à Sinyang et prendre l'importante ville de

Sianfou, grande bifurcation des routes venant de Russie en direction de Tchongking. Ils avaient déjà, au cours de 1938 et depuis le début de cette année, tenté à de nombreuses reprises le nettoyage du Shansi et la traversée du Fleuve Jaune, mais sans succès.

Le Shansi est une province essentiellement montagneuse d'une altitude allant de 1.000 à 3.000 mètres; une seule vallée est praticable aux gros effectifs et à un matériel puissant : la vallée de la Fen, à travers laquelle a été construit le chemin de fer qui de Taiyuanfu aboutit à la boucle du Fleuve Jaune. Au sud, près du Fleuve Jaune, depuis Sinsiang (au nord de Kaifeng, sur la rive nord du fleuve), jusqu'au terminus de la voie ferrée à Poai (au nord-est de Loyang), le réseau de communications est assez dense.

Entre la Fen et la voie ferrée de Pékin-Hankéou, se trouve le massif Chungtiao qui se rapproche du Fleuve Jaune ; ses versants escarpés tombent à pic sur la rive gauche du fleuve sur une distance de plus de 100 kms. Cette rive ainsi que la passe historique de Tungwan sont pratiquement imprenables à condition qu'elles soient bien défendues. Plus au nord, se trouve également la grande chaîne de montagnes Taihan aux versants tombant comme des falaises dans les plaines du Houpe.

Les points de passage sur le Fleuve Jaune entre Paotao, dans le Suiyang, et Shanghsien, sur le chemin de fer Pékin-Hankéou, sont peu nombreux.

Aussi pour parvenir à franchir le Fleuve Jaune, les Japonais seront obligés de mettre en œuvre des effectifs et un matériel considérables. Seul, un point serait facile : Loyang ; mais, du fait du nouveau cours du Fleuve Jaune provoqué par la rupture des digues, les Ja-

ponais pourraient s'y trouver complètement encerclés sans aucun espoir de recevoir des renforts de l'est.

Dans leur nouvelle offensive, les Japonais semblent avoir mis en action de gros effectifs et un matériel puissant. En vue de la traversée du fleuve, ils avaient doté certains éléments de bateaux et de matériel appropriés. Après avoir en vain essayé de s'assurer les gués du Fleuve Jaune au sud-ouest du Shansi, les Japonais semblent porter leur effort sur Yangcheng et sur le nettoyage de toute la région des monts Chungtiao et Taihan. (Il est évident qu'ils ne peuvent tenter la traversée du Fleuve Jaune en laissant sur leur arrière une armée manœuvrière et bien outillée.)

Les inondations malencontreuses des derniers jours dans le Hopei ont coupé en de nombreux endroits la voie ferrée du Pékin-Hankéou; les renforts et le matériel ne pouvant arriver que par cette voie, il est possible que, malgré les nombreuses troupes engagées dans cette attaque (la neuvième), celle-ci aura le même sort que les autres. (La voie de chemin de fer qui relie Tatung, dans le nord du Shansi, à Taiyuanfou ne peut encore être utilisée rationnellement, à cause de la proximité des troupes chinoises.)

L. G.

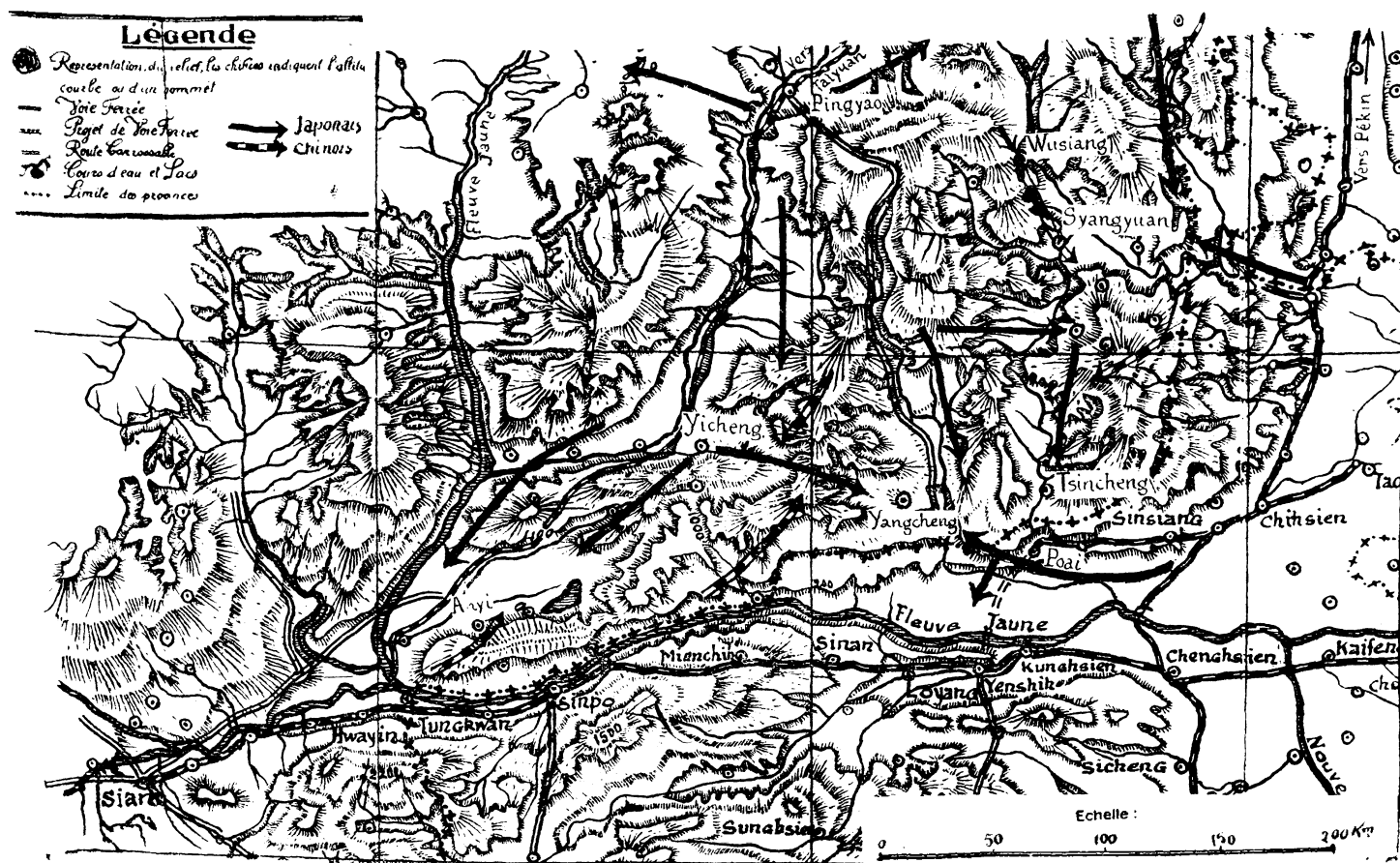
(Suite page 5)

Voir en page 5 la carte de la région aux limites du Chansi, du Chensi et du Honan dans laquelle se déroulent les opérations.

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

Les opérations militaires en Chine

(Suite de la page 1)



Au cours de la dernière offensive, la tactique japonaise a été encore d'opérer par colonnes. Cinq colonnes furent engagées dans cette offensive : les unes partirent de Pingyao, sur la Fen, et de Pingtin, sur la voie ferrée, à l'est de Taiyuanfu, et se dirigèrent vers le sud ; d'autres, opérant dans le sud, partirent de Sinsiang en direction de Poai, puis se portèrent sur Yangcheng, à travers les monts, au nord-ouest de Poai. Les dernières devaient effectuer leur jonction avec les colonnes descendant la vallée de la Fen et

essayer de cerner les troupes chinoises se trouvant entre la Fen et le Fleuve Jaune.

L'invariable manœuvre des Japonais cherche toujours l'encerclement. Les Chinois en font autant. Pour cela, ils n'hésitent pas à favoriser les mouvements des Japonais en cédant le passage — ce qui leur évite des pertes — puis ils reviennent aussitôt sur l'arrière des colonnes nippones, si bien que ces combats donnent l'impression d'un chassé-croisé sans fin. Par exemple, Wusiang et Sinyang ont bien été prises au cours de la semaine dernière par les Japonais, mais elles furent reprises par les Chinois.

Dans le camp chinois, la

8ème armée, qui constitue la principale résistance dans le Shansi, est solidement retranchée dans les montagnes citées plus haut ; elle est importante et dotée d'un outillage moderne, bien adapté aux combats de montagne. La tactique chinoise semble être la suivante : lorsque les colonnes japonaises pénètrent dans les couloirs facilement accessibles au matériel motorisé, les Chinois se replient et s'efforcent ensuite d'attaquer de flanc et de couper les communications des assaillants, une fois ceux-ci engagés dans les montagnes.

La défense du Shansi n'est pas seulement importante pour les Chinois, mais elle est aussi

indispensable à la défense de la Mongolie Extérieure. En effet, si les Japonais arrivaient à obtenir la maîtrise du Fleuve Jaune et à s'emparer ainsi du bassin de la Wei, nœud de toutes les communications entre la Russie et la Chine, ils seraient en mesure non seulement de couper la Russie de la Chine, mais encore de menacer directement la Mongolie Extérieure, peut-être plus efficacement que par la région des lacs sur la frontière du Mandchoukouo.

Toutefois, le Shansi se prête admirablement à la défense. Les Chinois aussi bien que les Russes feront tout leur possible pour en interdire l'accès.

L. G.

Le Gérant : L.-P. MESSELIER.

Imprimerie du Journal de Shanghai
 21-23 Rue du Consulat - Shanghai

0911

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

(TRANSLATION OF EDITORIAL)

LE JOURNAL DE SHANGHAI, July 25, 1939.

TRANSLATOR: EC.

THE MILITARY OPERATIONS IN CHINA

on the northern and central fronts

The military operations in China appear at present to be concentrated in the north. The theatre of operations of the center has been stationary since the attack in the Tchung mountains of last May. As regards several detachments which, leaving Nanchang, on July 18 had pressed to a point along the Kiangyang, to 40 kilometers south of Nanchang: that localized operation is of little importance.

On the other hand, many towns and regions have been evacuated by the Japanese; the Chinese have re-taken Tungshan, to the east of Tungt'ing Lake, and Hwangmei, to the north of Kiukiang. It appears that, the Navy not being able to act efficaciously in that region, the operations mark time.

In the south, the Chinese press close to Canton. The Navy has well executed landings in different ports of Fukien and Kwangtung, but those landings cause more inconveniences to foreign Powers than difficulty to the Chinese Government. Moreover, none of those landings has been pushed into the interior of the country and for a long time before war material had not been arriving through those ports.

The Japanese effectives appear little important and it is probable that no expanding operation is envisaged in the south of China.

* * *

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

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After many months, the Japanese have redoubled the efforts in south Shansi to possess themselves of the passages of the Yellow River, and to penetrate into Honan by the north thereby occupying Loyang and the Tungkuan pass. By that maneuver, they would be able to make sure of the stub of the Peking-Hankow which runs from Chenghsien to Sinyang and to take the important town of Sianfu, great cross-roads of the routes coming from Russia in the direction of Chungking. They have already, in the course of 1938 and since the beginning of this year, attempted in numerous fresh starts the clean-up of Shansi and the crossing of the Yellow River, but without success.

Shansi is ^{an} essentially mountainous province with an altitude going from 1,000 to 3,000 meters; a single valley is practicable for heavy effectives and a powerful matériel: the valley of the Fen, along which has been constructed the railway which from Taiyuanfu reaches the angle of the Yellow River. To the south, near the Yellow River, from Sinsiang (to the north of Taifeng, on the north bank of the river), as far as the terminus of railroad to Poai (north-east of Loyang), the network of communications is fairly dense.

Between the Fen and the Peking-Hankow railroad, there is found the Chungtiao massif which leads up to the Yellow River; its sloping escarpments fall perpendicularly on the left bank of the river for a distance of more than 100 kilometers. That bank as well as the historic pass of Tungkuan are practically impregnable on condition that they are well defended. Farther to the north, there is

alike

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

- 3 -

alike found the great Taihang chain of mountains with slopes falling like cliffs into the Hupeh [Hopei] plains.

The points of passage over the Yellow River between Paotow, in Suiyuan, and Shanhsien, on the Peking-Hankow [Lunghai] railway, are very few.

Moreover to achieve a crossing of the Yellow River, the Japanese will be obliged to put into operation considerable effectives and matériel. Only one point would be easy: Loyang; but, because of the fact of the new course of the Yellow River caused by the breaking of the dikes, the Japanese would there find themselves completely encircled without any hope of receiving reinforcements from the east.

In their new offensive, the Japanese seem to have put into action heavy effectives and a powerful matériel. In anticipation of the crossing of the river, they have supplied certain items of boats and appropriate matériel. After having in vain attempted to secure the fords of the Yellow River to the southwest of Shansi, the Japanese seem to have directed their effort against Yangoheng and toward the clean-up of all the region of the Chungtiao and Taihang mountains. (It is evident that they cannot attempt the crossing of the Yellow River while leaving in their rear an army mobile and well-equipped.)

The untoward inundations of recent days in Hopei have cut the Peking-Hankow railroad at numerous points; reinforcements and matériel not being able to come up other than by that way, it is possible that, despite the numerous troops engaged in that attack (the ninth), it will have the same outcome as the others. (The route of the railway which

links

1914

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

- 4 -

links Tatung, in north Shansi, with Taiyuanfu, cannot yet well be utilized, because of the proximity of Chinese troops.)

In the course of the last offensive, the Japanese tactics were still to operate by columns. Five columns were engaged in that offensive; some left from P'ingyao, on the Fen, and from P'ingting, on the railroad east of Taiyuanfu, and moved toward the south; others, operating in the south, left Sinsiang in the direction of Boai, then moved against Yangcheng, over the mountains, northwest of Boai. The latter were obliged to effect their junction with the columns descending the Fen valley and to endeavor to surround the Chinese troops located between the Fen and the Yellow River.

The invariable maneuver of the Japanese aims always at encirclement. The Chinese do it as well. Therefore, they do not hesitate to further the movements of the Japanese by granting passage - which avoids losses for them - whereupon they return immediately in the rear of the Japanese columns, so that those combats give the impression of an endless criss-cross chase. For example, Jusiang and Sinyang were indeed taken in the course of the last week by the Japanese, but they were re-taken by the Chinese.

In the Chinese camp, the 8th Army, which constitutes the principal resistance in Shansi, is solidly entrenched in the highest known mountains; it is important and provided with modern equipment, well adapted to mountain combats. The Chinese tactics seem to be as follows: when the Japanese columns penetrate the passages easily

accessible

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

- 5 -

accessible to motorized matériel, the Chinese fall back and strive then to attack on the flank and cut the communications of the assailants once the latter are engaged in the mountains.

The defense of Shansi is important not only for the Chinese, but it is indispensable for the defense of Outer Mongolia. Actually, if the Japanese succeed in obtaining the mastery of the Yellow River and in seizing thus the Wei basin, node of all the communication between Russia and China, they will be in a position not only to cut off Russia from China, but also to menace directly Outer Mongolia, perhaps more efficaciously than by the lake region on the Manchoukuo frontier.

However, lends itself admirably to defense. The Chinese as well as the Russians will do everything possible to forbid access to it.

L. G.

EC:T

DECLASSIFIED: E.O. 11652, 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

September 8, 1939

Tsinan's despatch no. 134 of August 5 reports revived guerrilla activity and poor crop prospects in the Weihsien area.

(WAA) This despatch is an example - though a somewhat extreme one - of a type of despatch which Tsinan submits with great frequency - consisting of a brief item (or so) of information which generally (1) concerns subject matter very limited in scope, (2) has been obtained or vouched for by only one or two sources, and (3) although of some contributory value if combined with other items and comment to form a larger picture, is of little significance in itself. During June Tsinan submitted twenty-two despatches (more than any other consular office in China except Shanghai), most of which tended to be of this brief type, and it is believed that previous months would show a similar record. It is thought that the Vice Consul could considerably increase the value of his reporting work (and incidentally substantially reduce the number of his pages to be read by the Department) if he would submit his material at less frequent intervals, accumulating and consolidating his fragmentary information until it constitutes an adequate basis for significant comment and general deductions. Would you, perhaps, wish to incorporate in your next "Comments" a suggestion to the effect that, while the Division is pleased to note the alertness and energy with which the Vice Consul continues to report

events

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

events in his district, it feels that the usefulness of his work would be enhanced if (etc. on the lines suggested above)?

The above sum. to Tune

strongly - short
 dispatches have
 should be supp
 than replaced &
 J.K.B.

Amoy - 8

Canton - 14

Chefoo - 11

Foochow - 2

Hankow - 8

Harbin - 3

Indochina - 13

Kobe - 9

Peking - 51

Shanghai - 39

Tientsin - 17

Tomon - 22

Tsingtao - 14

793.94/15344

FE: Chase: MHP

0918

DECLASSIFIED: E.O. 11652, 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

-2-

events in his district, it feels that the usefulness of his work would be enhanced if (etc. on the lines suggested above)?

*The above seems to me to be put too strongly - short promptly submitted dispatches have a definite value and should be supplemented by (rather than replaced by) "interpretive" reports
J.R.P.*

793.94/15344

Kx
FE: Chase: MHP

0915

DECLASSIFIED: E.O. 11652, 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. 134.

AMERICAN CONSULATE,

Tsinan, China, August 5, 1939.

SUBJECT: CONDITIONS IN THE WEIHSIEN AREA.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping, China.

RECEIVED
DEPT. OF STATE
SEP 5 PM 4 22
1939

Sir:

I have the honor to quote hereunder the contents
of a letter of July 31, 1939, addressed to the Consulate
by an American missionary in Weihsien, an important city
on the Kiaotsi line about midway between Tsinan and
Tsingtao:

"Things have been getting decidedly warmer
around here since I wrote you last. Roads torn
up and bridges down and one attack on the railroad
which did no damage to speak of but which was in-
dicative of a rising state of activity such as has
not been noticed for months. So far we ourselves
have not been molested tho we are on the boundary
of their territory. Unless we have rain soon we
will have a complete loss of crops and with the
poor wheat harvest and the destruction of so many
fields of the kaoliang and now with this drying
up of what is left I can see where we are in for
a merry little winter of high prices, no food and
all that goes with that."

This letter is of interest as recording the revival
of guerrilla activities and the poor agricultural pros-
pects in the Weihsien area.

Respectfully

795.94/15344

F/FG

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

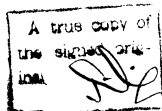
- 2 -

Respectfully yours,

Carl O. Hawthorne,
American Vice Consul.

800/861.3
COH/KCC

Original to Embassy, Peiping,
5 copies to Department,
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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

9/7

~~SECRET~~
~~SECRET~~

Tsuan's 135 to Peysing
To note that Tsaochowfu
in southwestern Shantung
was taken by Japanese
on July 3 & that they are in
general friendly to American
missionaries.
J.H.P.

0922

DECLASSIFIED: E.O. 11652, 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. 135.

AMERICAN CONSULATE,
Tsinan, China, August 5, 1939.

SUBJECT: JAPANESE OCCUPATION OF TSAOCHOWFU
CONFIRMED.

The Honorable
Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to refer to the Consulate's despatch no. 108 of July 6, 1939, reporting (page 2) the alleged occupation of Tsaochowfu (Hotse), in southwestern Shantung, by Japanese forces on July 3, 1939, and to quote hereunder the contents of a letter of July 28, 1939, addressed to this office by an American citizen connected with the China Mennonite Mission in that place, which confirms the report under reference:

"You undoubtedly know that this city has been taken over by the Japanese the 3rd of this month.

"Here at our Mission station we have been busy caring for refugees.

"However this week most of them have returned to their homes, since conditions are becoming more normal again.

"Officers and soldiers as a whole have been very friendly toward us.

"Am writing you this to let you know that we have been able to continue on with our Sunday services

and

12 1939

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15345

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DEPARTMENT OF STATE
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SEARCHED	INDEXED	FILED	Yes	No
CONFIRMED				
CONFIRMED				

DECLASSIFIED: E.O. 11652, 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 -

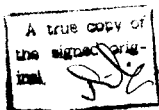
and daily Bible Classes unmolested."

Respectfully yours,

Carl O. Hawthorne,
American Vice Consul.

800/360
COH/KCC

Original to Embassy, Peiping,
5 copies to Department,
Copy to Embassy, Chungking.



0924

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

TELEGRAM RECEIVED

BJS

1-1336

FROM

PLAIN

Tsingtao via N. R.

Dated September 6, 1939

Rec'd 10:35 a. m.

Secretary of State,
 Washington

O.N.I. AND R.I.D.

193, September 6, 6 p. m.

The following statement in English has just been handed me by the Japanese Consul General as a courtesy. He has already handed copies to British and French Consuls:

"In face of war that has just broken out in Europe, the Japanese Government intend not to be involved therein, but will concentrate their efforts on the settlement of China affairs.

"In this connection the Japanese Government, to whom the attitude of powers towards the situation in China is a matter of deep concern, desires to request that the government, appreciating said intention of the Japanese Government, will refrain from taking any such measures as may prejudice Japanese position in regard to China affair.

Furthermore, with regard to those regions of China which are under the control of Japanese forces, it is apprehended that the presence therein of troops and warships of the countries taking part in the European war may give rise to

793.94/15346

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 SEP 11 1939

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

BJS 2-2- 193 September 6, Rec'd 10:35 a. m from Tsingtao

to untoward incidents and to a situation not in keeping
with Japanese policy of noninvolvement.

"The Japanese Government, therefore, consider it
necessary to offer friendly advice to belligerent powers
concerned that they should voluntarily withdraw their
troops and warships from the regions referred to above.

"It may be added that, upon the withdrawal of such
troops and ships, the Japanese authorities are prepared to
exercise their utmost efforts for the protection of lives
and property of nationals belonging to the belligerent powers."

Repeated to Chungking, Peiping and Shanghai.

SOKOBIN:

KLP

092F

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2170

Peiping, July 29, 1939.

Subject: Endangering the lives of Americans
through the bombing of Hanchung, Shensi.

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DEPARTMENT OF STATE

1939 SEP 5 PM 2 55

DIVISION OF
COMMUNICATIONS
AND RECORDS

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793.94/15347

The Honorable

The Secretary of State,
Washington, D.C.

Sir:

793.94/15284

I have the honor to refer to this Embassy's despatch No. 2122, under date June 27, 1939, in regard to the endangering of the lives of certain American citizens associated with the China Inland Mission at Hanchung, Shensi, and to transmit herewith a copy of a memorandum of an oral statement on this subject, made to a member of the Embassy staff on July 27, 1939, by Mr. Nomura of the Japanese Embassy. A resumé of this memorandum was telegraphed to the Department in this

Embassy's

SEP 12 1939

2170

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15347


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

- 2 -

Embassy's No. 373, July 28, 4 p.m.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

✓
Enclosure:

Memorandum, dated
July 27, 1939.

Original and 1 copy to Department.
Copy to Embassy, Chungking.
Copy to Embassy, Tokyo.
Copy to Consulate General, Shanghai.
Copy to Consulate General, Hankow.

350/360

ARR-SC

0928

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

MEMORANDUM OF CONVERSATION

Peiping, July 27, 1938.

Subject: Endangering the lives of Americans
through bombing of Hanchung, Shensi.

Present: Mr. S. H. Nomura, Japanese Embassy,
Mr. Kingwalt.

Mr. Nomura of the Japanese Embassy called in connection with this Embassy's communication of June 27, 1938, in regard to the endangering of the lives of American citizens through the bombing by Japanese planes of the city of Hanchung, Shensi, on May 6 and May 7, 1938.

He stated that the matter had been referred to the Japanese Military Headquarters in Peiping, and that a reply had been received from them to the following effect:

It has been ascertained that the local Japanese military bombed important Chinese commissariat concentrations at Hanchung on the 6th and 7th of May, endangering the lives of the occupants of the Hanchung station of the China Inland Mission, one of the ladies attached to the Mission, who was seriously ill, being especially inconvenienced.

The Japanese military authorities express their deep regret for the occurrence of this unfortunate and unexpected incident. However, in the report by the American Embassy, it is only the Japanese authorities that have been censured, and apparently no consideration has been given to the reason for the Japanese attack. As you know, the Japanese authorities have hitherto often issued statements that they would respect the properties and interests of third power nationals, and have done their best to achieve this end. However, as

you

0925

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

8853

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TELEGRAM RECEIVED

NC

1-1336

GRAY

FROM

TOKYO

Dated September 6, 1939

Rec'd 9:50 a.m.

Secretary of State
Washington

A
J
M
Tel to Tokyo
Sept. 6

460, September 6, 7 p.m.

Our 459, September 6, 5 p.m.

The British Ambassador's telegram to London is as follows:

"After consultation with my French and United States colleagues I suggest for your consideration that replies should be on following lines: (1) We take this statement as meaningless that Japanese Government intend to adopt a neutral attitude in relation to the conflict in Europe.

(2). We are unable to see why outbreak of hostilities in Europe should increase the difficulties between the Japanese and ourselves in China. We wish to avoid incidents but we see no reason for the Japanese proposal for the withdrawal of our troops and warships and are at a loss to understand it because we intend to retain our troops and ships in the Far East so long as they are required for the defense of British interests. We appreciate the desire of the Japanese Government to avoid

793.94/15343

F/FG

0931

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

5864

NC -2- #460 from Tokyo, September 6, 1939 7 p.m.

avoid incidents and are anxious to continue the process of endeavoring to settle outstanding difficulties by amicable negotiation.

My French colleague is asking his government to authorize him to make a similar reply and my United States colleague is strongly recommending to United States Government that he should be instructed to communicate with Japanese Government on similar lines or in such a way as to show support of line taken by French and ourselves.

Our own reply could also refer to the July 22 formula which rendered second sentence of aide memoire unnecessary.

Tone of our reply would naturally depend to a certain extent on attitude adopted by United States Government and on nature of United States reply".

Repeated to Shanghai, Shanghai please repeat to Peiping and Chungking.

DOOMAN

CSB

0931

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

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TO BE TRANSMITTED
☒ CONFIDENTIAL CODE
☐ NONCONFIDENTIAL CODE
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 PLAIN

Department of State

Collect: ☐ Full rate
☐ Day letter
☐ Night letter

Charge Department:

☐ Full rate
☐ Day letter
☐ Night letter

Charge to

S 15348

92-9-15348 AMEMBASSY,

TOKYO (JAPAN).

276

Your 458, September 5, 7 p.m., 459 and 460,

September 6, 7 p.m.

On September 5 the Department addressed inquiries to the British and French Ambassadors requesting information in regard to the position which the British and French Governments contemplate taking with regard to the communication quoted in your first telegram under reference.

Department is giving consideration to the suggestion contained in the last sentence of paragraph two of your 459, September 6, 7 p.m.

With reference to numbered paragraph three of your 459, the Department feels that it would be inadvisable for you to make any reference in your conversation with the Minister for Foreign Affairs to Japan's dependence upon the United States for materials or to the possible effect upon commercial relations between the United States and Japan of the Japanese action under reference. The Department perceives no objection, however, to your indicating to the Minister for Foreign Affairs

Enciphered by

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

793.94/15348

F/EG

0932

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

0466

PREPARING OFFICE
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 Night letter

Department of State

Charge Department:

- 2 -

Washington,

Full rate
 Day letter
 Night letter

Charge to

\$

that in your opinion any action by the Japanese Government
 to force the withdrawal of British and French armed forces
 in China would ^{by continued} ~~be viewed with apprehension~~ in the United SKH
 States as a step ^{clearly} in the direction of eliminating western
 influence in China and that the consequent reaction in this
 country ^{would certainly} ~~could not~~ but be seriously prejudicial to American-
 Japanese relations.

H. C.

✓
 318.54

FE:JWB:REK

AA
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 JH

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SKH

Enciphered by _____

Sent by operator _____ M., _____, 19____

0936

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

PREPARING OFFICE
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TELEGRAM SENT

Department of State

Washington,

September 7, 1939

TO BE TRANSMITTED
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PARTAIR
PLAIN
NAVAL RADIO

AMEMBASSY,
CHUNGKING (CHINA).

INFO: AMERICAN CONSUL, SHANGHAI (CHINA).

167 The following telegram to Tokyo is repeated for
your information: [Code Room please insert text of
Department's 276, September 6, 6 p.m. to Tokyo.]
Sent to Chungking. Repeated to Shanghai.

Hull

skt

793.94/15348

GR
SEP 7 1939

FE:JKP:MHP

FE

PA/H

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1462 U.S. GOVERNMENT PRINTING OFFICE

F/FG

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

15132

TELEGRAM RECEIVED

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

TOKYO

Dated September 6, 1939

Rec'd 11:08 a.m.

Secretary of State

Washington

RUSH

459, September 6, 7 p.m.

Our 458, September 5, 7 p.m. / 15345

One. There is quoted in the telegram immediately following the text of a telegram which the British Ambassador despatched today to London suggesting in outline the reply which should be sent to the Japanese Government's note quoted in our telegram under reference. The French Ambassador is telegraphing in substantially similar terms to his government.

Two. It should be noted that only the first paragraph of the Japanese note was published here and that there has been no disclosure here of the "friendly advice" to the British and French that they withdraw their troops and warships from China or of any other portion of the important second paragraph. The concealment from the Japanese public that their government has made what is in effect a drastic demand of the British and French Governments has presumably some significance. In

my

793.94/15349

SEP 25 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. Quisenberry NARS, Date 12-18-75

1939

NC -2- #459 from Tokyo, September 6, 1939

my opinion it means either that the Japanese move is intended to permit of a graceful retreat if the advice is not entertained or that the Japanese public is to be kept in the dark until they are confronted with some drastic action already taken. In either case I believe that nothing would produce a more healthy effect than a statement by the American Government expressive of unqualified American disapproval of Japanese action calculated directly and indirectly to prejudice the position in China of the western powers. (END SECTION ONE)

DOOMAN

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

5734

TELEGRAM RECEIVED

CJ

1-1836

FROM

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

TOKYO

Dated September 6, 1939

Rec'd 9:23 a.m.

Secretary of State,
 Washington.

RUSH.

459, September 6, (SECTION TWO).

Three. I am to make tomorrow afternoon a formal call
 on the Minister for Foreign Affairs on his appointment.

It occurs to me that I might say to him informally and
 as an expression of my personal opinion that Japan is now
 more dependent than ever before on the United States as a
 source of supply for raw materials, machinery, et cetera,
 to meet the increasing demand for Japanese goods created by
 the war in Europe; that what is in effect a demand for the
 withdrawal of British and French forces from China must
 inevitably raise the question whether, in view of the
 total absence of German forces in China, it may not be
 really the intention of the Japanese Government to eliminate
 Western influence from China; and that any action by Japan
 tending to confirm such suspicion would render the American
 public not disposed (repeat not) to help Japan to benefit
 commercially and economically by the situation now exist-
 ing in Europe. Does the Department perceive objection?

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

5735

-2- #459, September 6, (SECTION TWO) from Tokyo

Four. The term "friendly advice" has sinister association in Japanese history. It was first used by France, Germany and Russia when they pressed Japan to return Kwantung to China after the Sino-Japanese war and it was next used by the Japanese Government in August 1914 in a note to Germany demanding the surrender to China of the German concession in Shantung.

Repeated to Shanghai. Shanghai please repeat to Chungking and Peiping.

DOOMAN

KLP

0938

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

TELEGRAM RECEIVED

NC

1-1326

FROM

GRAY

SHANGHAI VIA N. R.

Dated September 6, 1939

Rec'd 1:52 p.m.

Secretary of State
Washington

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

800, September 6, 4 p.m.

793-94

Japanese Consul General this afternoon handed me for information copy of communication he had made to British and French Consuls General under instructions of his Government in the same wording as the note quoted in Tokyo's telegram 458, September 5, 7 p.m. to the Department. Our subsequent brief conversation elicited no additional information as to Japanese intentions. Repeated to Chungking and Peiping by air mail to Tokyo.

GUASS

DDM

Regarding European conflict.

753.94/15360

F/FG

SEP 11 1939

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793-94/15360

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976

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