

MICROCOPY

976

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92

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

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

Roll 92

1940-44

793.94/16100-16499
Aug. 1940-Mar. 1941



**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.

0001

DECLASSIFIED: E.O. 11652, 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

JT

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

FROM

HANOI VIA N.R.

Dated August 5, 1940

Rec'd 8:45 p.m.

Secretary of State,
Washington.

RUSH

August 5, 10 p.m.

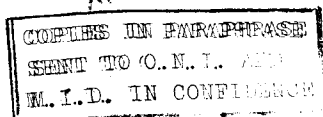
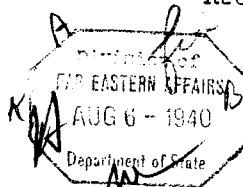
Reference to my telegram August 4, noon, the situation

here has definitely deteriorated within the last 24 hours
and Indo-China troops are again moving towards the frontier.
It appears reasonably certain that ~~the~~ the demands made
by Sato have been rejected "in principle". Sources of
information are inclined to believe that no ultimatum has
been delivered as yet, but all agree that a crisis in
Indo-China-Japanese relations is approaching. The use
of Indo-China facilities for the Japanese armed forces
and economic concessions appear to be the points in
question.

Sent to Cavite for repetition to the Department,
Chungking, Peiping, Hong Kong.

REED

NPL:NK



793.94/16100

F/FG

0001

DECLASSIFIED: E.O. 11652, 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

PARAPHRASE

A telegram of August 5, 1940, from Consul Reed at Hanoi reads substantially as follows:

There has been a definite deterioration in the situation in Hanoi since the evening of August 4. Indochina soldiers are moving again in the direction of the frontier. There seems to be a reasonable certainty that (?) Sato's demands have been refused "in principle". There is a tendency on the part of persons from whom information is received to think that so far there has been no ultimatum delivered. However, they are all of the opinion that a crisis in relations between Japan and Indochina is drawing near. The points in controversy seem to relate to economic concessions and the use of Indochina facilities for the armed forces of Japan.

EGG
FE:EGG:HJN
8/6

REK
FE

0002

DECLASSIFIED: E.O. 11652, 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
DEPARTMENT OF THE
UNITED STATES OF AMERICA

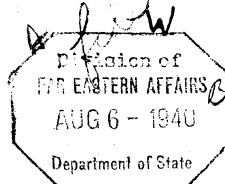
1940 AUG 5 PM 2 08

AMERICAN EMBASSY
Tokyo, July 12, 1940.

No. 4840.

DIVISION OF
COMMUNICATIONS
AND RECORDS

SUBJECT: TRANSMITTING MEMORANDUM OF CONVERSATION BETWEEN
THE AMERICAN AMBASSADOR AND THE JAPANESE MINISTER
FOR FOREIGN AFFAIRS ON JULY 11, 1940, REGARDING
THE BOMBING OF CHUNGKING.



For Distribution Check		Yes	No
To Mr.			
To Mrs.			
To Miss			
To Mr.			
To Mrs.			
To Miss			

793.94/16101

The Honorable

The Secretary of State,
Washington.

S i r :

1/ With reference to my telegram No. 566, July 11,
midnight, I have the honor to enclose for the Depart-
ment's information a copy of the memorandum of my
conversation

F/FG

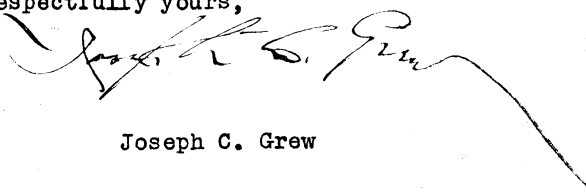
0003

DECLASSIFIED: E.O. 11652, 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-

conversation with the Japanese Minister for Foreign Affairs, Mr. Hachiro Arita, on July 11, 1940, on the subject of the bombing of the civilian population of Chungking. There is also enclosed a copy of the
2/ statement which I left with the Minister quoting the substantive portion of telegram No. 309, July 1, 10 a.m., from the Embassy at Chungking.

Respectfully yours,


Joseph C. Grew

✓
Enclosures:

- 1/ Memorandum of conversation.
- 2/ Statement quoting telegram.

350

JCG:nn

Original and 3 copies to the Department.

0004

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

Enclosure No. 1 to despatch
No. 4840 dated July 12, 1940,
from the Embassy at Tokyo.

Conversation.

July 11, 1940.

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

In the course of my conversation today with the
Minister for Foreign Affairs I once again drew his
attention to the attitude of our Government toward
bombings of civilian populations and read and left
with him a copy of the substantive part of Chungking's
telegram No. 309, July 1, 10 a.m. At the same time I
orally set forth with emphasis the significance of
the statement in that telegram. Mr. Arita as usual
replied that the Japanese aviators seek to bomb only
military objectives.

J. C. G.

0005

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

Enclosure No. 2 to despatch
No. 4840 dated July 12, 1940,
from the Embassy at Tokyo.

Copy of statement left with the Japanese Minister for
Foreign Affairs by the American Ambassador, July 11,
1940.

Chungking, July 2, 1940.

"If further proof were needed of the terroristic
object of the recent bombing attacks on Chungking
(eleven raids from June 9 to 29), it would be supplied
by crudely colored leaflet dropped from bombing planes
over Chungking on June 29. This depicts bombs rain-
ing down, dwellings in flames, bodies dismembered, and
all classes of the population fleeing. An inscription
states, 'Living all day in the midst of air alarms,
leading an existence not even human.' Another scene
depicts a farmer plowing in a fertile countryside and
bears an inscription, 'Living peacefully earning
livelihood with joy.'"

0006

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

214

TELEGRAM RECEIVED

JR

GRAMY

FROM

Shanghai via N. R.

Dated August 6, 1940 *Aug 8*

Rec'd 1:45 p.m. *Telegram to Shanghai*

Secretary of State,
Washington.

745, August 6, 3 p.m.

Shanghai incident of July 7. Tokyo's 661, August 3,

5 p.m.

Japanese Consul General Miura called on me yesterday morning and stated that he had received instructions from the Foreign Office to go into this matter. He wanted to know how the case stood and I told him that so far as the American side was concerned it now seemed that what was necessary was for Lieutenant General Fujita to make suitable reply to Admiral Glassford's letter of July 29 to General Fujita and to state that the incident was now considered closed. or for General Miura to take similar action in regard to Colonel Peck's letter to him dated August 3. I stated that Ambassador Grew had discussed the case with Foreign Minister Matsuoka and that the latter had apparently been in accord with the American Ambassador, that the statements made by Admiral Glassford in his letter to Major General Fujita constituted sufficient basis for the latter to consider the incident closed.

Consul

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

8/7/40

16095

793.94/16102

F/F/G

245

-2- #745, August 6, 3 p.m., from Shanghai.

Consul General Miura mentioned certain negotiations which were taking place between Admiral Glassford and Commander Kawabata (in the absence of Vice Admiral Iwamura). I stated that confidentially and privately they had been carrying on informal conversations in the hopes of finding what might be termed "a grievance saving device" to end the incident; that it was my understanding that Admiral Glassford on August 3 informed Commander Kawabata that such conversations could be carried no further.

Thus the matter rests and it is my understanding that the American side will take no further initiative. If, however, the Japanese side should revert to the idea of a joint statement to be signed and issued by General Miura and Colonel Peck the Department may wish to instruct me to endeavor in connection with Colonel Peck and Admiral Glassford to work out with the Japanese a reasonable and reciprocal statement.

Sent to the Department, repeated to Chungking, Peiping, Tokyo and to Tsingtao for Commander-in-Chief.

Substance conveyed to Admiral Glassford and Colonel Peck.

CSB

BUTRICK

0008

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

216

FL

TELEGRAM RECEIVED

AS

GRAY

Tokyo

FROM

Dated August 7, 1940

Rec'd 10 a.m.

Secretary of State

Washington.

RUSH.

671, August 7, 7 p.m.

My 661, August 3, 5 p.m., Shanghai incident

July 7.

At my meeting today with the Foreign Minister he referred to my oral approach of August 3 and said that he was now informed that Colonel Peck and Major General Miura in conversations on August 1st and 2nd had reached a complete settlement of the incident and that they were on the point of signing when word came from the Department of State that I was taking up the matter here and that they should therefore delay the settlement.

I said that this must be a complete misunderstanding because I had impressed upon the Minister the importance of reaching a local settlement in Shanghai and that I had asked him in effect "to oil the wheels". The Minister said that this also was his understanding and

he

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

8/7/40

Telegram to Shanghai
 Aug 8

793.94/16103

F/FG

0005

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

217
TELEGRAM RECEIVED

AS-2- No.671, August 7, 7 p.m., from Tokyo.

he hoped that appropriate ~~FROM~~ explanations would result in an early closing of the incident. I said that I would immediately telegraph to the Department and to our Consul General in Shanghai.

The Minister gave me copies of the texts of the documents alleged to have been provisionally agreed to by Colonel Peck and Major General Miura. Mr. Matsuoka said that the word "to apologize" in the text of the proposed Japanese press release (CHIN-SHA) is in his opinion a less strong term than the phrase "very deep regrets" in the proposed English press release.

Repeated to Shanghai.

GREW

DDM

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

TELEGRAM RECEIVED

ATP

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

Hankow via NR

Dated August 6, 1940

FROM

Rec'd 9:38 p.m.

Secretary of State,
Washington

August 6, 11 a.m.

793.94

The arrival of Japanese reinforcements, which,
it is said, are being dispatched down the Canton-
Hankow Railway and up the Han River would seem to support
rumors that the Japanese will soon begin an offensive
against Changsha advancing along the railroad and from the
Shasi-Ichang road through Changteh. The Japanese
reinforcements which have passed through here for
three weeks probably do not exceed two divisions. Newly
arrived officers speaking Russian are quoted as
stating that they have come from Hailar.

Sent to Chungking, repeated to the Department,
Peiping, Shanghai.

JARVIS

CSB

793.94/16104

F/FG

0011

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

218

TELEGRAM RECEIVED

RDS

GRAY

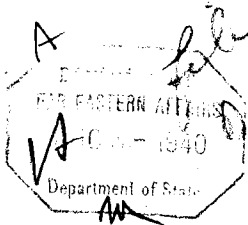
FROM

SHANGHAI VIA N.R.

Dated August 7, 1940

Rec'd 9:27 p.m.

Secretary of State,
Washington.



Tel. to Shanghai Aug 8

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

8/8/40

752, August 7, 4 p.m.

Incident of July 7.

Tokyo's 661, August 3, 5 p.m.

793.95
893.1028

Consul General Miura called this afternoon and said that apparently Ambassador Grew had slightly misunderstood Matsuoka, according to a telegram which he had just received from Tokyo. Apparently what Matsuoka had intended to convey was that he agreed that a local settlement was desired rather than that he would take steps to have the incident closed.

Miura asked me if I were empowered to negotiate a local settlement. I said that if a form of settlement which I felt reasonable were presented to me I should consult Peck and Glassford and if they agreed we would settle the case and so report to Washington; if, however, we had some doubt of its reasonableness it would be referred for instructions. He commented that that would permit (?) a local settlement. I said I felt some restraint owing to the fact that the Department had given an indication that it felt the statements in Admiral Glassford's letter

to

F/FG
FILED

793.94/16105

0012

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

249

-2- #752, August 7, 4 p.m., from Shanghai via N.R.

to Lieutenant General Fujita offered sufficient basis for closing the incident.

Sent to Department. Repeated to Chungking, Peiping, Tokyo and to Tsingtao for the Commander-in-Chief.

BUTRICK

EMB

0013

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

PREPARING OFFICE
 WILL INDICATE WHETHER

Collect { Full rate
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Charge Department:

Full rate
 Day letter
 Night letter

Charge to

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TELEGRAM SENT

Department of State

TO BE TRANSMITTED

CONFIDENTIAL CODE

X NONCONFIDENTIAL CODE X

PARTIAL

PLAIN

"Gray"

Washington,

August 7, 1940

AMERICAN CONSUL,

SHANGHAI (CHINA).

INFO: AMEMBASSY, CHUNGKING (CHINA).
 AMEMBASSY, PEIPING (CHINA).
 AMERICAN CONSUL, TSINGTAO (CHINA).

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

+ Capt. Sefurman
 8/9/40

Shanghai's 745, August 6, 3 p.m., and 752, August 7, 4 p.m.,
 and Tokyo's 671,
 August 7, 7 p.m. - 16105

In Tokyo's telegram under reference Ambassador Grew has correctly interpreted the purpose for which the Department's 287, August 1, noon, to Tokyo was addressed to him. The Department continues to hope that a local adjustment of this matter which is fair and reasonable can be shortly effected.

The Department also continues in its opinion that the letter addressed by Admiral Glassford on July 29 to General Fujita in reply to General Fujita's letter of July 28 provides a fair and reasonable basis for closing the incident in a manner satisfactory to all concerned. This expression of opinion on the part of the Department should not, however, be interpreted as precluding the reaching of a settlement in some other form.

The essence of the matter, in the Department's opinion,

Enciphered by _____

Sent by operator _____ M., _____, 19____

793.94/16105

L/H/G

0014

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

PREPARING OFFICE
 WILL INDICATE WHETHER
 Collect { Full rate
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 Night letter
 Charge Department:
 Full rate
 Day letter
 Night letter
 Charge to \$

251
 TELEGRAM SENT
 Department of State
 -2-
 Washington,

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTIAL
 PLAIN

is that the attitude of the local American naval authori-
 ties has been consistently restrained and reasonable;
 that manifestation by the local Japanese authorities of
 the same spirit and degree of sincerity and good-will as
 has characterized the efforts of the local American
 authorities should enable a settlement of the matter with-
 out further difficulty; that the communications which the
 local American authorities have addressed to their Japanese
 associates provide a basis for a fair and reasonable ad-
 justment; but that, if the local Japanese authorities
 desire to propose in language which observes the usual
 amenities of official intercourse some other form of ad-
 justment which is fair and reasonable, the local American
 authorities would naturally wish to give appropriate con-
 sideration to such proposals. With reference to the final
 substantive sentence of Tokyo's 671, August 7, 7 p.m.,
 please see the second sentence of numbered paragraph two
 of the Department's 317, July 18, 10 a.m. to Shanghai.

Sent to Shanghai. Repeated to Chungking, Peiping and
 to Tsingtao for the Commander-in-Chief. Shanghai please
 repeat to Tokyo.

44 CR
 AUG 8 1940

793.94/16103
 FE:GA:HJN /6105
 Enciphered by GA

FE
 m/v

Acting

Sent by operator M., 19

0015

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

AS

TELEGRAM RECEIVED

Shanghai via N. R.

Dated August 7, 1940

FROM

Rec'd 1:38 p.m.

Secretary of State,
Washington.

750, August 7, 2 p.m.

Hundreds of Chinese refugees have arrived at

Shanghai during the last few days from Tsungming Island
in the mouth of the Yangtze. According to press reports
Chinese guerillas killed a small detachment of Japanese
troop on the Island and the Japanese military retaliated
by despatching a punitive force which massacred many
Chinese civilians and destroyed villages.

Sent to the Department. Repeated to Peiping,
Chungking. By air mail to Tokyo.

BUTRICK

TFV

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

8/8-88

793.94/16106

F/FG

0016

DECLASSIFIED: E.O. 11652, 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
ADVISER ON POLITICAL RELATIONS

✓ Mr. Welles

*These estimates
are of unusual
interest -*

*Major is an especially
kind person*

0017

DECLASSIFIED: E.O. 11652, 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

G-2/2647-234

G-2
J M

July 5, 1940.

MEMORANDUM FOR THE CHIEF OF STAFF (No. 51):

Subject: Messages from Military Attaches

Following are paraphrased messages received from the Military Attaches as shown:

Peiping, Filed 4.30, July 3. Estimate of situation at Hongkong is that neither Britain nor Japan desires hostilities at this time. Significant that Japanese have not ordered their nationals to evacuate Hongkong. Japanese aim is to utilize to best advantage opportunity offered by situation in Europe. British desire to show forcefully their unwillingness to close Burma route or accede to other demands. If break between Japan and Britain occurs latter may lose Tientsin, Shanghai and Yangtze River interests. Increased fifth column agitation in India and stoppage Pacific shipping also probable. Japan risks loss world shipping and supplies from East Indies and elsewhere through action British raiders. Japan would become a non-benevolent belligerent toward United States or even actively belligerent. If Japan acts she must blockade or reduce Singapore as well as Hongkong. Mayer.

Chungking, Filed July 4. Peace terms rumors dying out. Chiang's determination not to talk peace while Japanese troops remain in China apparently unshaken. Removal of Chiang from office might make peace parleys possible but no indication that he intends to retire, that he is less popular, or that his power is waning. Peace rumors probably due Japanese propaganda. Reliable official sources state resistance to continue regardless closing supply routes. Informed foreign opinion resistance to continue while small ammunition lasts and present supply good for one year more. Record indicates unlikely Japanese can administer crushing defeat to any part of large Chinese forces still intact. Barrett.

SHERMAN MILES,
Brigadier General, U.S. Army,
Acting Assistant Chief of Staff, G-2

CONFIDENTIAL

0018

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

252

FE

TELEGRAM RECEIVED

REB

GRAY

FROM

Shanghai via N. R.

Dated August 8, 1940

Rec'd 3:10 p. m.

Secretary of State,
Washington.

Telegram to Shanghai

COPIES

758, August 8, 6 p. m.

8/9 88

Tokyo's 661, August 3, 5 p. m. Shanghai incident of
July 7.

Admiral Glassford and Commander Kawabata were in fact holding conversations looking toward a possible settlement on the basis of a statement to be made by Colonel Peck that he had held the gendarmes about one hour and a half after identification by a gendarme officer and that he (apologized or regretted) such action as unnecessary.

Commander Kawabata had prepared a final draft statement which will be quoted later and that draft which had not been seen by me was under discussion by Colonel Peck and Admiral Glassford and had been in fact rejected in some respects by Colonel Peck when I telephoned at 8:50 a. m. August 3 to Admiral Glassford and Colonel Peck who were then in conference the substance of the Department's 287, August 1, noon, to Tokyo, which had a few minutes previously been placed before me. Admiral Glassford has

supplied

793.94/16108

F/FG

793.94
793.102

0015

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

253

REB -2- #758, From Shanghai, Aug. 8, 6 p. m.

supplied me with a memorandum of negotiations with Commander Kawabata and it appears that both might well feel that there were high hopes of an early settlement but it could in no respect be stated that a complete settlement of the incident had been reached when the Department's telegram to Tokyo was received. Admiral Glassford had an appointment for a further conference with Kawabata at 9 a. m. Admiral Glassford promptly informed Commander Kawabata that the conversations would be impossible by reason of circumstances beyond his control. Commander Kawabata informed Admiral Glassford.

(END OF SECTION ONE)

BUTRICK

CSB

0020

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

254

TELEGRAM RECEIVED

JI

GRAY

FROM

Shanghai via N. R.

Dated August 8, 1940

Rec'd 3:30 p.m.

Secretary of State
Washington

758, August 8, 6 p.m. (SECTION TWO)
basis of the
that the settlement on the/latter's reply to General
Fujita's letter was impossible.

I may here comment that any settlement along the lines of the negotiations under existing treaty between Admiral Glassford and Commander Kawabata would have constituted a gracious concession by the American side as it might be readily contended and rightfully upheld that even though the gendarmes had been properly identified the refusal of the gendarme officer to receipt for them on their release was sufficient reason for holding them until a Japanese officer arrived who was willing to receipt for them.

Following is Kawabata's draft statement: "Colonel Peck will say to Major General Miura: 'I feel that the detention of the sixteen members of the Japanese gendarmerie on the 7th of July 1940 after about 11:30 a.m., at which time they were definitely identified as

gendarmes

Nov 16 1963

0021

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

255

JI-2-#758, August 8, 6 p.m. (SECTION TWO) from Shanghai
Via N. R.

gendarmes until their release about 3:00 p.m., was unjustified and that they should have been released promptly at the time of identification. In this I feel that I was inadvertently in error and I wish to apologize for my lack of courtesy due to detaining the gendarmes, and to express my wholehearted regrets that the Japanese Army should feel a loss of ^{face} ~~presume~~ due to this incident'.

Major General Miura will then respond to Colonel Peck as follows: 'dash dash I now consider the incident closed'.

Colonel Peck will reply: 'I also consider the incident closed' ".

Sent to the Department. Repeated to Chungking, Peiping, Tokyo, and to Tsingtao for Commander-in-Chief.
(END OF MESSAGE).

BUTRICK

NPL

0022

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

TELEGRAM RECEIVED

JI

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

FROM

Shanghai via N. R.

Dated August 8, 1940

Rec'd 3:20 p.m.

Secretary of State

Washington

759, August 8, 7 p.m.

753.94
General Miura's representatives have approached
Consul Hall informally and requested our assistance
in working out a settlement. With reference to my
758, ¹⁶¹⁰⁸ August 8, 6 p.m. for my confidential guidance
please instruct me whether a settlement along the
lines of the Kawabata draft statement would be acceptable
under any circumstances. In my opinion the Kawabata
proposal is disappointing. If it should become in
final analysis of settlement (?) locally it might be
worthy of consideration in view of the serious situation
in Shanghai.

Sent to the Department repeated to Chungking,
Peiping, Tokyo and to Tsingtao for the Commander-in-
Chief.

BUTRICK

NPL

753.94/16109

NOV 16 1940

F/H-G

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

✓

not in file 4-29-42

CORRECTION

*Not in file
 " " " 9-23-42*

August 9, 1940

JR

In cable from Shanghai 759, August 8, 7 p.m.,
 regarding settlement of American marine Japanese
 controversy 10th line delete "(?)" insert "obtainable".

DIVISION OF COMMUNICATIONS AND RECORDS

793.94/16109

Correction made on original (File No

Date

Hour

Name of Clerk

Section Political

793.94/16109

NIF + cation DCR-Magberry 11-24-43

0024

DECLASSIFIED: E.O. 11652, 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
 PARTAIR
 PLAIN

Collect { Full rate
 Day letter
 Night letter

Charge Department:

Full rate
 Day letter
 Night letter

Charge to
 \$

Department of State

Washington,

August 9, 1940

5pm
 Naval Radio

AMERICAN CONSUL,

SHANGHAI (CHINA). *via XR*

INFO: AMEMBASSY, CHUNGKING (CHINA).
 AMEMBASSY, PEIPING (CHINA).
 AMERICAN CONSUL, TSINGTAO (CHINA).

356

Shanghai's 758, August 8, 6 p.m., and 759, August 8,
 7 p.m.

The telegrams under reference appear to have crossed
 the Department's 355, August 8, 5 p.m., to Shanghai.

It is the Department's opinion that the comments
 offered in its 317, July 18, 10 a.m. to Shanghai, 287,
 August 1, noon to Tokyo, and 355, August 8, 5 p.m. to
 Shanghai, would seem adequate in the premises.

Sent to Shanghai. Repeated to Peiping, Chungking,
 and to Tsingtao for the Commander in Chief.

Acting

AUG 9 1940 PM

793.94/16109

GA
 FE:GA:MHP

Enciphered by

Sent by operator M., 19

793.94/16109

F/FG

0025

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

PREPARING OFFICE
WILL INDICATE WHETHER

Collect ☐ Full rate
☐ Day letter
☐ Night letter

Charge Department:

☐ Full rate
☐ Day letter
☐ Night letter

Charge to
\$

TELEGRAM SENT

Department of State

Washington,

TO BE TRANSMITTED
☒ CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

NAVAL RADIO
"A"

August 10, 1940.

AMERICAN CONSUL

SHANGHAI (CHINA)

360

Department assumes that you have repeated to
Tokyo Department's 356, August 9, 5 p.m.

It should be carefully checked before
being communicated to anyone. A-7

Willis
Acting
(M.H.)

793.94

✓
CR
AUG 10 1940

GA
FE:GA:BLS

ROW
FE

1940 AUG 10 PM 7 51

RECEIVED
DEPARTMENT OF STATE

Enciphered by

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

793.94/10109

F/FG

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 600.

Chungking, July 17, 1940

Subject: Bombing of Chungking on July 16, 1940.

AIR MAIL

RECEIVED
DEPARTMENT OF STATE
DIVISION OF
COMMUNICATIONS
AND RECORDS
AUG 14 1940
COMMERCIAL ATTACHÉ
Department of State

For Distribution-Check		Yes	No
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For	<input checked="" type="checkbox"/>		
To field			
In U.S.A.			

ONE - HID

SEP 17 1940

793.94/16110

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

In continuation of my despatch no. 594, July 13, 1940, and in amplification of my telegram no. 346, July 16, 5 p.m. reporting the resumption after an absence of one week of Japanese aerial attacks on the City of Chungking on July 16, 1940, I have the honor to submit the following additional details in regard thereto.

Summary. Two groups of Japanese bombing planes bombarded the western and central sections of the City, inflicting slight casualties and property damage. The headquarters of the Military Affairs Commission was struck. Americans and American property appear not to have been affected.

The first group, comprising twenty-seven planes, and flying from a northwesterly to a southeasterly direction, bombed the western sections of the City.

They

0027

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

AIR MAIL

- 2 -

They were probably intent on the destruction of the municipal power plant but again missed this vitally important target. Numerous bombs fell on open ground, including two which exploded on the campus of the Chungking High School of the American Methodist Mission. Property damage in the western areas was negligible, the chief destruction involving a number of small shops which were burned.

The second group, comprising twenty-five or twenty-six heavy bombing machines, concentrated on the lower and central sections of the City. Flying in an almost due northerly direction, these planes swooped in from the direction of Haitangchi, the bus terminal on the south bank of the Yangtze, and flew parallel to and partly over that river in covering the lower and central portions of the municipality, that is, the chief business area of the City. Some bombs fell on the south bank of the Yangtze in the vicinity of a large cement plant, apparently inflicting little or no damage on the plant. Other bombs fell in the Yangtze, throwing up tremendous columns of water. For the most part these missiles fell near the left bank of the river in the neighborhood of the Custom House and the Post Office, but these buildings were not damaged. At least one bomb, however, apparently released by the right element of this group of planes, exploded harmlessly in the Yangtze about one hundred yards out from the right or south shore. It would appear that this bomb fell about six hundred yards upriver from the U.S.S. TUTUILA and perhaps from two hundred fifty to three hundred yards equidistant from my residence and that of the Counselor.

Numerous bombs fell in the City, but there was surprisingly little damage. A fire resulted in the destruction of several minor shop buildings in the vicinity of the Custom House. The headquarters of the Military Affairs Commission was damaged for the first time since the Japanese started their aerial attacks on Chungking in January 1939, one building being demolished and another housing the offices of General Ho Ying-chin, Minister of Military Administration and Chief of Staff, being badly damaged. No other damage of a serious nature was to be observed.

It would appear that the Japanese dropped some bombs of very heavy calibre, judging from the enormous size of the craters left in the wake of the bombing. One crater of circular shape was observed in relatively soft ground with a diameter of at least forty feet and a maximum depth of twenty-five feet, while another of rectangular shape was seen with a length of at least fifty feet, a width of thirty feet and a depth of ten feet. Fortunately, most of these bombs fell on open ground, doing little or no damage.

American nationals, of whom there usually are about twenty remaining in the City proper (as distinguished from Lungmenhao and the "Hills" on the south bank of the Yangtze) at any given time, escaped injury; and up to the

time

7028

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

AIR MAIL

- 3 -

time of the writing of this despatch no reports have been received concerning injury to American property.

There were at least twenty-five Chinese fighting planes in the air during the course of the raid, and each group of invading Japanese planes was subjected to attack. Although no planes were observed to fall in the vicinity of Chungking, the Chinese press reported that three invading planes were shot down.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson

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

711.6

EFD:MCL

0025

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



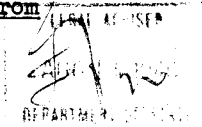
EMBASSY OF THE
UNITED STATES OF AMERICA

No. 606.

Chungking, July 23, 1940

Subject: Chinese Government's Request that
American Nationals evacuate from
Ichang to avoid Bombing.

AIR MAIL



RECEIVED
DEPARTMENT OF STATE

NOV 1 1940

For Distribution	Yes	No
Trade		
Per		
In U.S.A.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
011-110		

COPIES SENT TO
O.N.I. AND MID

793.94/16111

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

1/ I have the honor to enclose a copy and translation of a note dated July 22, 1940, from the Ministry of Foreign Affairs transmitting the request of the Chinese military authorities that American vessels and nationals evacuate from Ichang, in order to avoid the danger arising from Chinese bombing of that city.

2/ There is enclosed, also, a copy of my reply of July 23, 1940. In drafting this reply I was guided by the phraseology found in the Department's telegraphic instruction to Tokyo no. 202, of June 14, 7 p.m., which

prescribed

F/HC

0030

DECLASSIFIED: E.O. 11652, 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 -

AIR MAIL

prescribed the tenor of a note to be addressed to the Japanese Government in response to a warning that Chungking was to be bombed intensively.

A copy in translation of the Foreign Office note in question was sent by the Embassy on July 23, 1940 to the Standard Vacuum Oil Company in Chungking, with the request that the Company endeavor to radio the following message to its agency in Ichang, with a view to its circulation among American citizens and organization:

"American Embassy has received request from Chinese Government that American vessels and nationals concentrate at Kulaopei (0657 -5071 -5154) to avoid Chinese bombing. Embassy has replied that it advises Americans to avoid danger but American Government looks to Chinese Government to take precautions against imperilling American citizens and property."

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson

Enclosures:

- 1/ Copy and translation of note dated July 22, 1940, from the Ministry of Foreign Affairs
- 2/ Copy of reply dated July 23, 1940

Original and two copies by air mail to Department
Copy to Hankow
Copy to Yunnanfu
Copy to Peiping

300/350

WRP:MCL

003

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-13-75

Enclosure no. 1 to despatch no. 606 dated July 23, 1940,
from American Embassy at Chungking on subject of "Chinese
Government's Request that American Nationals evacuate
from Ichang to avoid Bombing".

Translation of a third-person note addressed by the
Ministry of Foreign Affairs of the Republic of China
to the Embassy of the United States of America

Trans. : Isi 7/23/40 Dated: July 23, 1940
Checked: EFD 7/23/40 Recd.: July 23, 1940
Typed : ECL 7/23/40

The Ministry of Foreign Affairs presents its
compliments to the American Embassy and has the
honor to refer to its third-person note of July 9
in regard to the avoidance of mistaken bombing of
properties belonging to foreign nationals at Ichang.

The Ministry has received a further communica-
tion from the appropriate authorities stating:

"The enemy forces at Ichang have of late
surreptitiously crossed the Yangtze River, all
in the vicinity of the Standard Vacuum Oil
Company installation. The vessels used for
crossing are mostly anchored near the Salt
Bureau, utilizing the British and American
ships for concealment and protection purposes.
This has rendered the operations of our air
force difficult. Please inform the embassies
of the friendly powers concerned, asking them
promptly to have their vessels and nationals
in the vicinity of Ichang moved to and tempo-
rarily concentrated in ^{the} Kulaopai (古老背)
area, 20 kilometers below Ichang so as to avoid
the dangers of bombing."

Apart

0032

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

- 2 -

Apart from addressing separate communications to those concerned, the Ministry has the honor to request that the Embassy cause immediate instructions to be issued to act accordingly.

-SEAL OF THE MINISTRY OF FOREIGN
AFFAIRS OF THE REPUBLIC OF CHINA-

Original text and one yellow copy to Embassy, Peiping
Copy to Consulate General, Hankow
Copy to Standard-Vacuum Oil Company
Three copies to the Department

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

節畧

外交部茲向美國大使館致意並聲述：關於避免宜昌
 外僑財產被誤炸事：七月九日節畧計達。茲續准主管
 機關文稱：宜昌敵軍近均由美孚油棧附近偷渡長江，
 其渡河船隻亦多靠鹽局附近，藉英美船隻為掩
 護，致我空軍行動發生困難，請轉知有關各友邦使
 館迅將宜昌附近船隻及僑民暫行避集宜昌下游二
 十公里之古老背一帶，以免轉炸危險等由。除分行外，
 相應畧請美國大使館查照，迅予轉飭照辦為荷。

中華民國三十九年七月二十日（外交部印）

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

Enclosure no. 2 to despatch no. 606 dated July 23, 1940,
from American Embassy at Chungking on subject of "Chinese
Government's Request that American Nationals evacuate
from Ichang to avoid Bombing".

The American Embassy has received the Ministry's
note of July 22, 1940, transmitting a request from the
appropriate authorities of the Chinese Government that
the Ambassies of friendly powers be asked to cause
their vessels and nationals in the vicinity of Ichang
to move promptly to and concentrate in the Kulaopei
area, twenty kilometers below Ichang, in order to avoid
danger from the bombing of the city by the Chinese air
force.

The Embassy will endeavor to bring this request to
the attention of American citizens and organizations in
Ichang. At the same time, the Embassy has the honor to
observe that while American officials have consistently
advised and will continue to advise American nationals
to withdraw from areas in which special danger exists,
such American nationals are under no obligation to do
so and in some cases find withdrawal impossible.

Accordingly,

DECLASSIFIED: E.O. 11652, 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 -

Accordingly, the American Government looks to the Chinese Government to avoid any military operations which would imperil the safety of American nationals and property at Ichang and will expect to hold the Chinese Government responsible for any injury or loss to American nationals occasioned by acts of the Chinese armed forces.

Chungking, July 23, 1940.

(Initialed) N.T.J.

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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

節畧譯文

美大使館在外交部本年七月二十二日來畧，以中國政府主管城閘請轉知各友邦使館，迅將宜昌州、宜都及僑民避難、宜昌下游二十公里之古老背一帶，以及老莊中國空軍轟炸該城時遭遇危險等由，使館當設法將所請各節轉行宜昌美國僑民，予意，同時美國官員雖曾力勸，並將繼續勸告美國僑民，由特殊危險地帶撤退，但彼等並無

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

撤退義務有時且不可能。故美國政府盼望中國
 政府避免任何危及宜昌美僑生命財產之軍事
 行動。設因中國軍隊之行動而致美僑遭受傷
 害損失並盼中國政府負其責任。合即奉達。

一九四〇年七月二十三日

7038
DECLASSIFIED: E.O. 11652, 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 13, 1940

~~WOK~~

~~CA~~

~~WAA~~

~~JWB~~

Chungking's despatch no. 607,
July 25, 1940, "Casualties and
Property Damages Sustained in
Japanese Air Raids on Chungking
from June 16 to July 16, 1940".

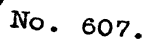
To note this brief despatch.

793.94/16112

~~TSU~~

FE:Weil:MHP

0038



~~12~~

~~CONFIDENTIAL~~

AIR MAIL

240 AUG 5 AM 9 47

DIVISION OF
COMMUNICATIONS
AND RECORDS

A

For
WAB

795.34/16112

COMMERCIAL AFFAIRS
Department of State

16 Jan 1944

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

1/

In continuation of my despatch no. 571 of June 19, 1940, transmitting translations of two statistical tables listing casualties and property damages resulting from Japanese air raids conducted on Chungking on May 28 and June 10, 11 and 12, 1940, I have the honor to transmit herewith translations of further tables supplied by the Chungking Air Raid Relief Commission covering Japanese aerial attacks on Chungking for the period from June 16 to July 16, inclusive.

There follows a recapitulation based on these tables of casualties resulting from the aerial attacks conducted on Chungking this year:

Period

7/70

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

AIR MAIL

- 2 -

<u>Period</u>	<u>Killed</u>	<u>Seriously wounded</u>	<u>Slightly Wounded</u>	<u>Total</u>
1940				
May 28 to				
June 12	685	884	937	2506
June 16 to				
July 16	<u>937</u>	<u>1051</u>	<u>931</u>	<u>2919</u>
	1622	1935	1868	5425

Although Chungking has been bombed more intensively and indiscriminately in 1940 than was the case in 1939, yet it appears that casualties sustained in 1940 have been light by way of comparison with 1939. Property damage, however, has been much greater in 1940 than in 1939. About two months ago the Mayor of Chungking informed a member of my staff that there were dug-out accommodations at that time for some 270,000 of the estimated 400,000 population of Chungking. Since that time more shelters have been completed and, moreover, perhaps 50,000 to 100,000 people have temporarily evacuated the city for the surrounding country. It is believed there is at present ample dug-out accommodation for the entire remaining population of the city. Therefore, future casualty lists, probably largely confined to the police and fire forces and those in shelters collapsing in consequence of direct hits, should be relatively small.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson

Enclosures:

1/ Translations of two statistical tables, as above

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

711

EFD:MCL

Enclosure no. 1
to despatch no. 607
Dated July 25, 1940

Statistical Table of Air-raid Casualties in Chungking Municipality During the Period from June 16 to July 16, 1940

Killed or wounded		Deaths				Seriously Wounded				Slightly Wounded				Total			
Sex		Male	Fe- male	Chil- dren	Total	Male	Fe- male	Chil- dren	Total	Male	Fe- male	Chil- dren	Total	Male	Fe- male	Chil- dren	Total
Number of persons																	
Date																	
June	16	98	106	79	283	47	56	34	137	54	28	26	108	199	190	139	528
"	24	46	25	37	108	39	28	30	97	41	31	17	89	126	84	84	294
"	25	19	31	24	74	27	19	11	57	23	9	8	40	69	59	43	171
"	26	33	22	18	73	49	45	34	128	63	49	36	148	145	116	88	349
"	27	24	12	23	59	46	53	37	136	37	52	19	108	107	117	79	303
"	28	26	29	15	70	49	58	18	125	89	23	16	128	164	110	49	323
"	29	17	22	24	63	11	15	9	35	12	10	8	30	40	47	41	128
July	4	26	28	19	73	37	18	13	68	23	7	5	35	86	53	37	176
"	8	32	15	13	60	42	36	29	107	63	24	18	105	137	75	60	272
"	9	25	10	11	46	37	43	28	108	57	41	17	115	119	94	56	269
"	16	16	7	5	28	25	21	7	53	21	3	1	25	62	31	13	106
Total		362	307	268	937	409	392	250	1051	483	277	171	931	1254	976	689	2919

Investigated and compiled July 20, 1940.

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

0041

Statistical Table of Damage to Buildings by Air-raids in Chungking Municipality During Period
from June 16 to July 16, 1940

Date	Nature of Damage and Number Damaged			Estimated loss (Yuan)
	Collapse by Shaking (rooms)	Destruction by burning (rooms)	Total	
June 16	700	504	1204	\$722,400
" 24	752	190	742	565,200
" 25	126	674	800	480,000
" 26	1269	122	1391	834,600
" 27	294	12	306	183,600
" 28	1011	599	1610	966,000
" 29	236	1612	1848	1,108,800
July 4	71	40	111	66,600
" 8	1302	46	1348	808,800
" 9	632	23	655	393,000
" 16	743	142	885	531,000
Total	7136	3964	11100	6,660,000

Investigated and compiled July 20, 1940

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By 01/20/00 0.0/20/00 NARS, Date 12-18-75

1042

704
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

CROSS-REFERENCE FILE

NOTE

SUBJECT Copy of the note dated June 20 addressed by the British Ambassador to the Japanese Minister for Foreign Affairs in reply to a note from the Minister urging that the British Government take urgent steps to withdraw British officials and residents from Chungking temporarily to a place of safety.

For the original paper from which reference is taken

See Despatch #4831
(Despatch, telegram, instruction, letter, etc.)

Dated July 11, 1940 From Japan (Grew)
~~For~~

File No. 701.4193/167

U. S. GOVERNMENT PRINTING OFFICE 1-1540

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0044

DECLASSIFIED: E.O. 11652, 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.

A senior British military officer has expressed the definite opinion that Japanese troops and equipment are soon to begin moving by rail from Haiphong to Yunnan.

793.94/ 16114

For the original paper from which reference is taken

See T-1.#298 10am
(Despatch, telegram, instruction, letter, etc.)

Dated Aug. 6, 1940 From Hong Kong (Southard)
To

File No. 893.24/818

0045

DECLASSIFIED: E.O. 11652, 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

JT

FROM

GRAY

TOKYO

Dated August 9, 1940

Rec'd 3 p.m.

no action

Secretary of State,

Washington.

678, August 9, midnight.

Shanghai incident of July 7.

Reference Shanghai's 758, August 7, 6 p.m.,

Embassy's 671, August 7, 6 p.m.

The Foreign Office in further conversations with the Embassy has informed us that the local negotiations for the settlement of this incident were broken off in Shanghai as a result of instructions sent from the Department to the Consulate General in Shanghai directing that Admiral Glassford's letter of July 29 to General Fujita should be used as a basis for a statement (I assume that this conclusion was reached by the Japanese following the conversation between Consul General Miura and Mr. Eutrick on August 7. Particular reference is made to the final paragraph of Shanghai's 752, August 7, 4 p.m.). The information conveyed to me by Mr. Matsuoka on August 7 and reported in our telegram 671, August 7, 7 p.m., first paragraph, was probably deduced from the fact that,

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8/10/58

793.94/16115

F/G

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

-2- No. 678, August 9, midnight from Tokyo

that, as reported in the penultimate sentence of the second paragraph of Shanghai's 758, August 8, 6 p.m., Admiral Glassford informed Commander Kawabata on August 3 "that further conversations would be impossible by reason of circumstances beyond his control". Commander Kawabata, as reported in the final sentence of second paragraph of Shanghai's 758, has rejected Admiral Glassford's letter on the basis for a settlement.

The Foreign Office seems desirous of having a settlement reached on the basis of the draft formula forwarded to the Department as "Kawabata's draft statement" in Shanghai's 758, August 8, 6 p.m., a copy of this draft given to me by Mr. Matsuoka on August 7 was one of the documents reported in the final paragraph of my 671, August 7, 7 p.m. The Foreign Office has informed us that if negotiations should be transferred away from Shanghai, the Japanese Government could not consider itself bound by the terms of this formula.

The Japanese seem to be under the impression that the Department has stipulated a definite basis upon which the incident must be settled and has thereby interrupted the local negotiations and jeopardized the possibility of a local settlement.

In my conversation with the Foreign Office on

August

0047

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

-3- No. 678, August 9, midnight from Tokyo

August 3 I said to him inter alia that we perceive no
reason why the letter addressed ^{by} Admiral Glassford
on July 29 to General Fujita in reply to General
Fujita's letter of July 28 should not close the
incident in a manner satisfactory to all. We have
in all conversations with the Foreign Office urged
the advisability of a local settlement.

Repeated to Shanghai.

GREW

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79-94

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese hostilities; Situation report on month of July,
1940, regarding Japanese aerial operations; Japanese restric-
tions upon movements of vessels.

For the original paper from which reference is taken

See #205
(Despatch, telegram, instruction, letter, etc.)

Dated August 1, 1940 From Foochow (Ward)
To

File No. 893.00 P.R. Foochow/150

DECLASSIFIED: E.O. 11652, 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-

II. Foreign Relations.

A. Relations with the United States.

Nothing to report.

C. Relations with Japan.

1. Vice-Admiral's proclamation. On July 15

Vice-Admiral Shiada, Commander-in-Chief of the Imperial Japanese Navy, issued a proclamation prohibiting the entrance of all vessels, including those of third power, into certain areas on the coast of China between Shanghai and Amoy, among those named being the harbor of Santu (三都) and Foochow "bay". Presumably intended to close all remaining ports on the coast of Chekiang and Fukien, the proclamation notably failed to mention Shanghai (三江水), to the south of Foochow, through which the main line of traffic of the trade of this area passes, and as the close of the month under review it was still not clear whether it was regarded as within the zone intended to be covered by the proclamation or had deliberately been left out of it.

2. Sanchienkou bombed.* Two days after

the issuance of Vice-Admiral Shiada's proclamation Sanchienkou and Hsienkou (三江), the little town for which it serves as a port, were bombed by Japanese planes, reported to number over twenty. The only casualties were two children, both of whom died, and the principal damage caused appeared to have been to the Fukien Transportation Company's warehouses at Hsienkou, one of which was reported to have been destroyed.

3.

*See this Consulate's telegram of July 17, 7 p.m., to the Embassy Peking, reported to Chungking and Department.

-2-

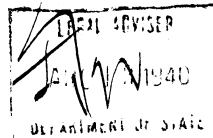
3. Japanese landing at Santuao.* At about eight o'clock on the morning of July 31, five Japanese planes began bombing the village on Santu Island (三都澳), which stands in the center of the large and well protected harbor of Hainan. The planes flew over the north of Hainan. Shortly after the bombing ceased Japanese naval vessels - which were said to have been five in number - began shelling the island. A landing was then expected to be required. A second attempt was more successful, and the beach was set afire. According to Chinese reports the Chinese troops on the island resisted sharply, and early in the afternoon the Japanese withdrew, a separate attempt to land on the mainland west of the island having also failed.

4. Japanese aerial reconnaissance. There was a marked increase in Japanese aerial reconnaissance activities in this area during July, although no bombing other than those just described were reported.

0051

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

TELEGRAM RECEIVED



AS

FROM

PLAIN

Chungking via N. R.

Dated August 10, 1940

Rec'd 11:05 a.m.

Secretary of State,
Washington.

AUG 10 1940
Department of State

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

8/12 EGU

391, August 10, 10 a.m.

Japanese bombing on Chungking was resumed yesterday afternoon when approximately eighty-seven Japanese planes attacked Haitanchoe (bus terminal on south bank of Yangtze River), the lower commercial district, the western district and the western portion of the northern suburb of Kaingpei. A large number of high explosive and incendiary bombs was dropped. Several conflagrations resulted and there was widespread but not (repeat not) extensive property damage which was chiefly private in nature. Casualties numbered about two hundred persons; over half of the victims were found in the Haitangchi area.

American nationals are all thought to be safe. Insofar as Embassy is aware at this time damage to American property was confined to Chungking High School of American Methodist Mission. At least six bombs fell on campus of that institution, wrecking and damaging several buildings.

In

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

AS-2- No.391, August 10, 10 a.m., from Chungking via N.R.

In absence of American representatives of mission an
estimate of property losses is not available.

Sent to the Department. Repeated to Peiping,
Hankow, Shanghai. Shanghai please repeat to Tokyo.

JOHNSON

ALC

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005

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

TELEGRAM RECEIVED

JT

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

CHUNGKING VIA N.R.

Dated August 10, 1940

Rec'd 8:58 a.m.

Secretary of State,
Washington.

392, August 10, 11 a.m.

My 391, August 10, 10 a.m.

Bombing of Chungking on August 9.

Inasmuch as several press agencies apparently have
sent out misleading reports to the effect that Lungmenhao
and the so-called "safety zone" as delimited by the
Japanese on the south bank of the Yangtze River were
bombed in yesterday's Japanese aerial attack, I wish to
offer the observation that the Japanese confined their
attack on the south bank to Haitangchi and a thin strip
of territory leading south and east along the Kweiyang
motor road and toward the first range of hills for
perhaps a distance of one mile; they did not (repeat
not) bomb Lungmenhao or the so-called "safety zone" al-
though bombs fell nearby in the river.

Sent to the Department. Repeated to Peiping,
Hankow, Shanghai. Shanghai please repeat to Tokyo.

JOHNSON

PEG

793.94/16117

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

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict: Military; political and economic developments for the month of May, 1940.

793.94/ 16118

For the original paper from which reference is taken

See #141
(Despatch, telegram, instruction, letter, etc.)

Dated June 3, 1940 From Amoy (MacVitty)
To

File No. 893.00 P.R. Amoy/152

DECLASSIFIED: E.O. 11652, 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. American-Japanese Relations.

793-94
 During the month Japanese officials have gone out of their way to express their friendship for Americans. For the first time since the Kulangsu incident, Mr. Uchida, the Japanese Consul General, entertained the officers of an American unboat at a cocktail party. There were numerous other incidents which indicated that the local Japanese officials had received instructions to improve Japanese-American relations.

2. Japanese Military Activity.

The only military activity in the Amoy district during the month was the flight of 12 sea-planes, from an air-craft carrier anchored in the outer harbor of Amoy, over Amoy and Kulangsu on May 27th. The planes flew sufficiently low to observe that they carried no bombs. It was reported that the flight was made in celebration of

Japanese

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

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Japanese Navy Day.

3. Upset Troops.

Several hundred pirates, whose loyalty has been purchased by the Japanese Navy, have been undergoing military training in Amoy for the past four months. During the month there were rumors that there was considerable unrest among the pirates, and it later developed that their commander has been arrested and that the sub-commander had run away. These troops are now quartered in a prominent building in Amoy and are refusing to obey orders to proceed to a designated place for military activity, claiming their numbers are too small. What to do with their pirate troops appeared to a problem the Japanese authorities were unable to solve.

4. Japanese Censorship of Mails.

The Japanese Consulate General has advised this office that it has instructed the censors in the Amoy Post Office that mail addressed to Americans residing in the International Settlement was not to be interfered with. As stated in this report for April the Japanese censors in the Amoy Post Office had held up all copies of the READER'S DIGEST, WORLD DIGEST and PICTURE POST. Since this office's protest on the subject, American subscribers are now receiving their copies of the above publications.

793.94 / 10119

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

b) Relations with Other Countries.

Japan. Mr. Ch'en Kung-po, President of the Legislative Yuan, headed a "good-will mission" of twenty-two officials which left Nanking on May 16 en route to Tokyo to return the visit of General Nobuyuki Abe. In Tokyo,

Mr.

- *Shanghai's despatch No. 2358, June 3, to Chungking.
**Shanghai's political report for April, 1940, pp.2-3.
***Shanghai's telegrams No. 424, May 16, 4 p.m., and
No. 450, May 24, 1 p.m.
****Shanghai's despatch No. 3160, May 27, 1940 (No.2347 to the Embassy).

- 5 -

Mr. Ch'en addressed a message to the people of Japan which emphasized that it was only natural that Japan and China should cooperate for their mutual benefit. Mr. Ch'en stated that "the Chinese Government and people are firmly determined to achieve national unification to secure a nation-wide peace, and will, in all sincerity, carry out the peace schemes to secure the basis of a permanent peace between our countries."* Prince Honoe, speaking at a luncheon given in honor of the visiting Chinese mission, deprecated the basic idea of preying on the weak which is the motivation of the European war, and expressed the feeling that there could be no permanent security for mankind unless the idea of co-existence and cooperation, based on the traditional Oriental morality, were to permeate the world.** Mr. Ch'en replied suitably, expressing regret that a conflict had broken out between China and Japan due to a failure of each country to understand the other, and said that the Chinese people desire to know exactly what Japan wants of China. The mission began its return journey on May 26, with Mr. Ch'en asserting that "the destiny of the nations of East Asia can be solved only by the nations themselves, and Sino-Japanese cooperation can be the only bulwark for stability in this part of the globe." ***

General Abe and a staff of experts remained in Nanking for the purpose of concluding with the Wang Chingwei Government a basic treaty governing relations between the two countries. It was anticipated that the negotiations would require some time, and that the Nanking Government

* SHANGHAI TIMES, May 22, 1940.
** JAPAN CHRONICLE, May 25, 1940.
*** SHANGHAI TIMES, May 27, 1940.

DECLASSIFIED: E.O. 11652, 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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ernment would exert itself in an effort to drive a good bargain.* Preliminary conversations took place during the month, and it was understood that formal negotiations were to begin in June after the return of the goodwill mission from Tokyo.

At the same time that the Ch'en Kung-po mission was visiting Japan, there were rumors in Shanghai that peace negotiations between Japanese representatives and the Chungking side were under way in Hongkong.** There seems to have been some basis for those rumors, but there must be noted the qualification that any "negotiators" - and there have been many in the past year - have evidently lacked the credentials to act as plenipotentiary representatives. Admittedly Japan would wish to close its account of the China Incident without further military losses and added economic strain, but no common meeting-ground for the discussion of peace terms which would satisfy the aspirations of both parties was apparent in May.***

The Japanese drive which in April resulted in the capture of Tsingyang, southern Anhwei, met with a reverse in the vicinity of that city which resulted in the withdrawal of Japanese forces in the direction of Wuhu, even Nanling by report being evacuated. According to a missionary report, large numbers of Japanese troops were embarked on transports at Wuhu, presumably to proceed upriver to Hupeh to be used as reinforcements for the campaign on the Hupeh-Honan border.

The Japanese Embassy spokesman at Shanghai on May 31 condemned American missionaries at Chungking, who had protested

* Nanking's despatch No. 83, May 7, 1940 (No. 29 to the Embassy).

** Shanghai's telegram No. 439, May 21, 12 noon; Hongkong's telegram No. 150, May 23, 12 noon.

*** Shanghai's despatch No. 3187, June 5, 1940 (No. 2364 to the Embassy).

0060
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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protested to the Department of State in regard to the current Japanese bombings of that city, for meddling in politics and harboring a misconception of justice and humanity. The spokesman asserted that "Justice and humanity are not the monopoly of the missionaries; and the Japanese authorities, in ordering the raids, are basing their actions on considerations of justice and humanity which are far greater in scope than those conceived by the missionaries." *

DECLASSIFIED: E.O. 11652, 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 conflict: military-political developments of
month of May, 1940.

For the original paper from which reference is taken

See #2699
(Despatch, telegram, instruction, letter, etc.)

Dated June 12, 1940 From China (Synth)
To

File No. 893.00 P.R./170

795.94 / 15120

16/72

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

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15
 about the situation.

The Japanese controlled press in China commented frequently on the European war, the general tenor of the editorials being unfavorable to the Allies, particularly Great Britain. A number of editorials emphasized that, at a time when a new order was being established in East Asia, Japan would not tolerate any extension of the European hostilities to this region. Other editorials called for cooperation among Oriental nations against Occidental "aggression".

16
b. Military operations in North China: 17

793.94
 5.18
 Fighting continued in southern Shansi but the lack of reliable information made it difficult to determine the results. The Japanese claimed May 2 that they had annihilated Chinese forces west of Kaoping and announced that "mopping up" operations in the Luan area had been practically completed. Taking advantage of the temporary absence of large numbers of Japanese troops from their bases on the Jungpu Railway in late April, the Chinese were able to concentrate troops north of the Yen River in southwest Shansi and on May 1 attacked the Japanese at Jotsin; the Chinese claimed that they had encircled numbers of Japanese troops, but other unconfirmed reports stated that the Chinese had themselves been cut off by the Japanese. Japanese claims of a decisive victory over the Chinese in the Hsiangning area northwest of Fencheng were contradicted by Chinese reports. The month ended with the Japanese army still faced with active Chinese

opposition

15. Shanghai's 439 May 21, 12 noon; also American correspondents in Peiping.
 16. Peiping's 152, May 7, 4 p.m.
 17. Military Attaché's Situation Report no. 9901 of June 2, 1940.

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the 11 items included on the five 2-item scales.

standards in the field and social sciences and

11 - 2007 - 2008 - 2009 - 2010 - 2011 - 2012 - 2013 - 2014 - 2015 - 2016 - 2017 - 2018 - 2019 - 2020 - 2021 - 2022 - 2023 - 2024 - 2025 - 2026 - 2027 - 2028 - 2029 - 2030 - 2031 - 2032 - 2033 - 2034 - 2035 - 2036 - 2037 - 2038 - 2039 - 2040 - 2041 - 2042 - 2043 - 2044 - 2045 - 2046 - 2047 - 2048 - 2049 - 2050 - 2051 - 2052 - 2053 - 2054 - 2055 - 2056 - 2057 - 2058 - 2059 - 2060 - 2061 - 2062 - 2063 - 2064 - 2065 - 2066 - 2067 - 2068 - 2069 - 2070 - 2071 - 2072 - 2073 - 2074 - 2075 - 2076 - 2077 - 2078 - 2079 - 2080 - 2081 - 2082 - 2083 - 2084 - 2085 - 2086 - 2087 - 2088 - 2089 - 2090 - 2091 - 2092 - 2093 - 2094 - 2095 - 2096 - 2097 - 2098 - 2099 - 2100 - 2101 - 2102 - 2103 - 2104 - 2105 - 2106 - 2107 - 2108 - 2109 - 2110 - 2111 - 2112 - 2113 - 2114 - 2115 - 2116 - 2117 - 2118 - 2119 - 2120 - 2121 - 2122 - 2123 - 2124 - 2125 - 2126 - 2127 - 2128 - 2129 - 2130 - 2131 - 2132 - 2133 - 2134 - 2135 - 2136 - 2137 - 2138 - 2139 - 2140 - 2141 - 2142 - 2143 - 2144 - 2145 - 2146 - 2147 - 2148 - 2149 - 2150 - 2151 - 2152 - 2153 - 2154 - 2155 - 2156 - 2157 - 2158 - 2159 - 2160 - 2161 - 2162 - 2163 - 2164 - 2165 - 2166 - 2167 - 2168 - 2169 - 2170 - 2171 - 2172 - 2173 - 2174 - 2175 - 2176 - 2177 - 2178 - 2179 - 2180 - 2181 - 2182 - 2183 - 2184 - 2185 - 2186 - 2187 - 2188 - 2189 - 2190 - 2191 - 2192 - 2193 - 2194 - 2195 - 2196 - 2197 - 2198 - 2199 - 2200 - 2201 - 2202 - 2203 - 2204 - 2205 - 2206 - 2207 - 2208 - 2209 - 2210 - 2211 - 2212 - 2213 - 2214 - 2215 - 2216 - 2217 - 2218 - 2219 - 2220 - 2221 - 2222 - 2223 - 2224 - 2225 - 2226 - 2227 - 2228 - 2229 - 2230 - 2231 - 2232 - 2233 - 2234 - 2235 - 2236 - 2237 - 2238 - 2239 - 2240 - 2241 - 2242 - 2243 - 2244 - 2245 - 2246 - 2247 - 2248 - 2249 - 2250 - 2251 - 2252 - 2253 - 2254 - 2255 - 2256 - 2257 - 2258 - 2259 - 2260 - 2261 - 2262 - 2263 - 2264 - 2265 - 2266 - 2267 - 2268 - 2269 - 2270 - 2271 - 2272 - 2273 - 2274 - 2275 - 2276 - 2277 - 2278 - 2279 - 2280 - 2281 - 2282 - 2283 - 2284 - 2285 - 2286 - 2287 - 2288 - 2289 - 2290 - 2291 - 2292 - 2293 - 2294 - 2295 - 2296 - 2297 - 2298 - 2299 - 2300 - 2301 - 2302 - 2303 - 2304 - 2305 - 2306 - 2307 - 2308 - 2309 - 2310 - 2311 - 2312 - 2313 - 2314 - 2315 - 2316 - 2317 - 2318 - 2319 - 2320 - 2321 - 2322 - 2323 - 2324 - 2325 - 2326 - 2327 - 2328 - 2329 - 2330 - 2331 - 2332 - 2333 - 2334 - 2335 - 2336 - 2337 - 2338 - 2339 - 2340 - 2341 - 2342 - 2343 - 2344 - 2345 - 2346 - 2347 - 2348 - 2349 - 2350 - 2351 - 2352 - 2353 - 2354 - 2355 - 2356 - 2357 - 2358 - 2359 - 2360 - 2361 - 2362 - 2363 - 2364 - 2365 - 2366 - 2367 - 2368 - 2369 - 2370 - 2371 - 2372 - 2373 - 2374 - 2375 - 2376 - 2377 - 2378 - 2379 - 2380 - 2381 - 2382 - 2383 - 2384 - 2385 - 2386 - 2387 - 2388 - 2389 - 2390 - 2391 - 2392 - 2393 - 2394 - 2395 - 2396 - 2397 - 2398 - 2399 - 2400 - 2401 - 2402 - 2403 - 2404 - 2405 - 2406 - 2407 - 2408 - 2409 - 2410 - 2411 - 2412 - 2413 - 2414 - 2415 - 2416 - 2417 - 2418 - 2419 - 2420 - 2421 - 2422 - 2423 - 2424 - 2425 - 2426 - 2427 - 2428 - 2429 - 2430 - 2431 - 2432 - 2433 - 2434 - 2435 - 2436 - 2437 - 2438 - 2439 - 2440 - 2441 - 2442 - 2443 - 2444 - 2445 - 2446 - 2447 - 2448 - 2449 - 2450 - 2451 - 2452 - 2453 - 2454 - 2455 - 2456 - 2457 - 2458 - 2459 - 2460 - 2461 - 2462 - 2463 - 2464 - 2465 - 2466 - 2467 - 2468 - 2469 - 2470 - 2471 - 2472 - 2473 - 2474 - 2475 - 2476 - 2477 - 2478 - 2479 - 2480 - 2481 - 2482 - 2483 - 2484 - 2485 - 2486 - 2487 - 2488 - 2489 - 2490 - 2491 - 2492 - 2493 - 2494 - 2495 - 2496 - 2497 - 2498 - 2499 - 2500 - 2501 - 2502 - 2503 - 2504 - 2505 - 2506 - 2507 - 2508 - 2509 - 2510 - 2511 - 2512 - 2513 - 2514 - 2515 - 2516 - 2517 - 2518 - 2519 - 2520 - 2521 - 2522 - 2523 - 2524 - 2525 - 2526 - 2527 - 2528 - 2529 - 2530 - 2531 - 2532 - 2533 - 2534 - 2535 - 2536 - 2537 - 2538 - 2539 - 2540 - 2541 - 2542 - 2543 - 2544 - 2545 - 2546 - 2547 - 2548 - 2549 - 2550 - 2551 - 2552 - 2553 - 2554 - 2555 - 2556 - 2557 - 2558 - 2559 - 2560 - 2561 - 2562 - 2563 - 2564 - 2565 - 2566 - 2567 - 2568 - 2569 - 2570 - 2571 - 2572 - 2573 - 2574 - 2575 - 2576 - 2577 - 2578 - 2579 - 2580 - 2581 - 2582 - 2583 - 2584 - 2585 - 2586 - 2587 - 2588 - 2589 - 2590 - 2591 - 2592 - 2593 - 2594 - 2595 - 2596 - 2597 - 2598 - 2599 - 2600 - 2601 - 2602 - 2603 - 2604 - 2605 - 2606 - 2607 - 2608 - 2609 - 2610 - 2611 - 2612 - 2613 - 2614 - 2615 - 2616 - 2617 - 2618 - 2619 - 2620 - 2621 - 2622 - 2623 - 2624 - 2625 - 2626 - 2627 - 2628 - 2629 - 2630 - 2631 - 2632 - 2633 - 2634 - 2635 - 2636 - 2637 - 2638 - 2639 - 2640 - 2641 - 2642 - 2643 - 2644 - 2645 - 2646 - 2647 - 2648 - 2649 - 2650 - 2651 - 2652 - 2653 - 2654 - 2655 - 2656 - 2657 - 2658 - 2659 - 2660 - 2661 - 2662 - 2663 - 2664 - 2665 - 2666 - 2667 - 2668 - 2669 - 2670 - 2671 - 2672 - 2673 - 2674 - 2675 - 2676 - 2677 - 2678 - 2679 - 2680 - 2681 - 2682 - 2683 - 2684 - 2685 - 2686 - 2687 - 2688

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

by John Collins from Birmingham on 1 June 1970

July 1963, 1964, and 1965-1966, are shown in

the clouds were rolling in, and westward, but in

admission by a man holding a D. License.

Libyan, which was the last state to have an Italian

to a tank as well as heavy artillery, divided

into the various other categories as captured through:

2. The left flank came from the primary cord

He was in the bank waiting and took a long time

2. The above information is to this point has been

Gold, Inc. of 9' in 1910, mine fell and the fol-

John William Lloyd, Jr. He claims to have

March 10; April 10; May 10; June 10; July 10; August 10; September 10; October 10; November 10; December 10

checked to return from the mountain to the south-

[illegible]

captured him from after a counterattack from

10. Thibault also claimed to have taken several

Other items include, altered cars and trucks.

but the Japanese position was now serious was evidenced by the arrival in Larkow May 15 of General Itagaki, chief of staff of the Japanese forces in China.

1. Military Attaché's Liaison Report No. 9901 of June 1, 1949; Linton's June 3, 1949, is copying only (weekly summary); and Linton's telegrams during 1949.

0064

- Industrial operations in 1940 China:

On several nights of comparative quiet, Japanese
made only 10 or 20 shot volleys against Chinese
in the Hilly District, about sixteen
northwest of Hsien. The Japanese claimed that

Heavy

17. Jensen's June 7, 1966, re: cipher only (entirely omitted).

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

11

[illegible]

...possible attack on French positions or
the East Indies; Chinese sources later re-
ported Japanese concentrations were not as
heavily believed and attacked as parables.

[illegible]

Relative rates provided by Gabel, et al. (1963) are
 1.0000 reported in 1957 for the Japanese with Chinese
 1.0000 for the total area and over 1.0000. The
 1.0000 for the Japanese between Japanese
 1.0000. Japan, the latter between 1.0000 and 1.0000
 1.0000; between 1.0000 activity as reported
 1.0000 area as reported in 1.0000 took

Place

21. Boston's Star, 7 p.m., to 10 p.m. only (monthly January).
22. Military Gazette's London Edition no. 9901 or later, 1949.
23. Boston's Star, 7 p.m., to 10 p.m. only (monthly January).
24. Same as No. 21.

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

Official Activities in
the Communist Areas:

31

The American Embassy at Berlin reported that, so

far

29. Union's Law 3, 10 p.m., to shipping only (monthly summary).
30. Union's Law 3, 10 p.m., to shipping only (monthly summary).
31. Union's Law 1, 10 p.m., to shipping only (monthly summary).

0068

[illegible]

0069

0070

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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 relations; Japan vis-a-vis third powers in
China; developments of the month of June, 1940.

For the original paper from which reference is taken

See #3278
(Despatch, telegram, instruction, letter, etc.)

Dated July 8, 1940 From Shanghai (Butrick)
To

File No. 893.00 P.R. Shanghai/141

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

b) relations with other countries.

Japan.

Joint declaration by Japanese Emperor and U.S. President

in Japan. Japanese Emperor's visit to U.S.

UNITED STATES

Manchukuo's role in the 4th, June 7, 1941.

793.94

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

1. The first of these is the fact that the
2. Government has not been able to secure the
3. necessary funds to carry out its policy.
4. This is due to the fact that the Government
5. has not been able to secure the necessary
6. funds to carry out its policy. This is due
7. to the fact that the Government has not
8. been able to secure the necessary funds to
9. carry out its policy. This is due to the
10. fact that the Government has not been able
11. to secure the necessary funds to carry out
12. its policy. This is due to the fact that
13. the Government has not been able to secure
14. the necessary funds to carry out its policy.
15. This is due to the fact that the Government
16. has not been able to secure the necessary
17. funds to carry out its policy. This is due
18. to the fact that the Government has not
19. been able to secure the necessary funds to
20. carry out its policy. This is due to the
21. fact that the Government has not been able
22. to secure the necessary funds to carry out
23. its policy. This is due to the fact that
24. the Government has not been able to secure
25. the necessary funds to carry out its policy.

3) Importation of foreign goods - The Government of India has been successful in reducing the import of foreign goods, which has helped to conserve the foreign exchange reserves of the country. This has been achieved through various measures such as imposing high duties on imported goods, promoting the production of indigenous goods, and encouraging the use of local materials in the manufacturing process.

2. The Government shall be responsible for the
of arrangements of the authorities for the
management of every one of the conditions of the
of the said measure.

$\frac{1}{\sqrt{\pi}} \int_{-\infty}^{\infty} f(x) e^{-x^2} dx = \frac{1}{\sqrt{\pi}} \int_{-\infty}^{\infty} f(x) e^{-x^2} dx$

5) There was also the issue of civil or military officers as well as the career of drug or law enforcement.

37) There was none in a larger government office, hospital or other organization, was the chief person employed at the army or the various enterprises of the Mine Affairs Board, was, taking into account their position, close to illegal payments, or receive, demand or take over control of properties or other interests, and all those who are in connection with the persons mentioned above.

28) "There are conditions on air in the area of the people, distinct order, mass police disorder, the large-scale activity or activities which may lead to the so-called 'storm' of the above-mentioned elements."

This permit shall be surrendered and its validity suspended if the permit holder, or any other person, is found to be in violation of the permit conditions. If the Japanese Ministry of Foreign Affairs or the Japanese Consulate General in Manila enforces the regulations and to

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840.

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

... power within the limits of the...
 ... situation will arise." In this connection,
 ... of the... out in his...
 37, June 17, 1940, ... translation of this
 proclamation,

... is to be made whether the task of
 ... in the negotiation of a treaty with
 the ... regime will not be rendered more diffi-
 cult by this pointed declaration concerning the
 real source of authority in occupied China."

From this declaration of the Japanese government in
Shanghai. The local Japanese-controlled press, includ-
 ing the ... which ... carried many arti-
 cles urging, and in some cases demanding, the retroces-
 sion of the International Settlement and the French Con-
 cession, and the abolition of extraterritoriality. Such
 articles increased in number and virulence after the en-
 try of Italy into the European war and the defeat of
 France. Shortly before the armistice terms between
 France and Germany were published, there was a concen-
 tration of Japanese troops and ... forces
 near the French Concession. The tension decreased some-
 what with the publication of the armistice terms, as
 they did not refer to French possessions and concessions
 in eastern Asia.

The number of Japanese garrisons in the Interna-
 tional Settlement and the French Concession was in-
 creased. The Commander of the Mandchurian stated that
 this had been done to prevent incidents during the Euro-
 pean conflicts. The Commander of the British Forces
 in Shanghai requested the Commander of the Mandchurian
 to decrease the number of Japanese garrisons in the
 British defense sector.

* Hankin's telegram No. 58, June 14, 1940.
 ** Hankin's despatch No. 37, June 17, 1940.

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... of Japanese officials to ... in ... according to press reports, the ... of at in in ...

"I also believe in this for the ... that is to say, the questions relating to this ... be settled by ... and Japan ... attacks on ... will ... objectives in the ...

In response to ... the ... to ... the ... the Japan ... the ... "horrible ... change in the situation".

Japanese request for the withdrawal from China of
the Soviet Union of Japanese belligerents. On June 12
 the Japanese ... to the ... in ... copy of the ... that the Japanese ... for ... to the ... in ... containing "a friendly advice ... troops and warships to withdraw from China".
 The ... that the advice was to be ... to Italy, ... within the ... that the ... of the ... war-
 may ... be informed."

The ... and "the ... of ... the ... the ... of the ... the ... from ... and that any ... the ... belliger-
 ents ... be exposed. The ... formal let-
 ters on June 17 ... his request to the ...

Italian

... telephon No. 343, June 12, 2 p.m.
 ... telephon No. 309, June 12, 2 p.m.
 ... telephon No. 34, June 14.

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

1. Available information indicates that

the official Japanese position is that the
United States is in a position to
bring about a settlement of the
question, but that the Japanese
government is not in a position to
take the Japanese position as a basis for
negotiations. It is probable that Japan,
finds it difficult to operate in the
international situation in which it
is at present, and that the
Japanese government is not in a
position to take the Japanese
position as a basis for
negotiations.

2. Available information indicates that the
United States is in a position to
bring about a settlement of the
question between Japan and Japan.
It is believed that
Japan is anxious to bring about a
settlement, and that this desire has been
intensified at the present time by the
international situation.

3. Available information indicates that the
United States is in a position to
bring about a settlement of the
question.

4. Japanese official position is that
the United States is in a position to
bring about a settlement of the
question between Japan and Japan.
It is believed that
Japan is anxious to bring about a
settlement, and that this desire has been
intensified at the present time by the
international situation.

5. Available information indicates that the
United States is in a position to
bring about a settlement of the
question.

6. Available information indicates that the
United States is in a position to
bring about a settlement of the
question.

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

- 10 -

papers under Japanese control either praised the speech or did not publish editorial comment on it."

Japanese Consular Conference in Hankow. A conference of Japanese consular officers and other Japanese officials in China was held in Hankow. According to press reports, the conference was held in General Abe's residence, and during the two days it was in session new instructions from Tokyo were explained.

0077

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

TELEGRAM RECEIVED

AS

PLAIN

FROM Chungking via N. R.

Dated August 12, 1940

Rec'd 12:40 p.m.

Secretary of State,
Washington.

Division of
FOR EASTERN AFFAIRS
AUG 13 1940
Department of State

COPIES SENT TO
AND M.L.D.

8/13 288

395, August 12, 5 p.m.

793.94

Approximately 90 Japanese planes raided Chungking on afternoon of August 11 dropping bombs in the vicinity of Kiangpei, in the central portion of the city, in the western district of the city and in the area adjacent to the south bank of the Yangtze upriver from the bus terminal of Haitangchi. Casualties and property damage appear to have been slight. The press reports that bombs fell around the Russian Embassy causing further damage to buildings which were under repair. All Americans are thought saved and Embassy has received no (repeat no) reports of damage to American properties. Chinese fighting planes intercepted the invading planes and the press reports that five Japanese planes were shot down.

793.94/10122

Two. An air alarm was sounded in Chungking today between twelve noon and two thirty p.m. but no (repeat no) Japanese planes appeared over the city.

Sent

7/15

0078

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

AS-2- #395, August 12, 5 p.m., from Chungking via N.R.

Sent to the Department, repeated to Peiping, Hankow,
Shanghai. Shanghai please air mail to Tokyo. Air mail
to Yunnanfu.

JOHNSON

CSB

5

0075

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

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MARY COOKINGHAM, *Field Treasurer*

August 7, 1940

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

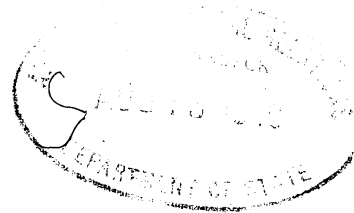
My dear Mr. Hamilton,

I am sure that you and your colleagues in the State Department will be interested in the enclosed confidential letter from President J. Leighton Stuart, which has just reached us.

Very sincerely yours,

B. A. Garside
Secretary

BAG:MS
Enclosure



AUG 19 1940

FILED

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F/RG

16123

DECLASSIFIED: E.O. 11652, 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

July 6, 1940

To the Board of Trustees:

This will attempt to describe succinctly and with something of the caution which these unpredictable times require the latest trends in Japanese policy. It would not be advisable to quote sources, but they are quite dependable. The Japanese have for months past been persistently trying to bring the war in China to a close. They call this peace, but what they really mean is the ending of hostilities - something in this case very different. The Wang Ching-wei fiasco was primarily a blundering effort to attain this objective. As they - including its most determined promoters - have gradually realized how futile are all such puppet devices, and the necessity of opening negotiations with those who are resisting them, they have been exploring all possibilities for getting into contact with General Chiang Kai-shek. As one of these, I have ample evidence of their readiness, or more accurately eagerness, to do so. The disconcerting discovery that he was unwilling to consider any such approaches on what he knew to be their present basis probably explains their barbarously continuous bombing of Chungking and the thrusts at Ichang and elsewhere. While they are as anxious as ever to come to an agreement with the Chinese Government that will end the fighting, yet they are not ready now to make any counter proposals to what they know to be the unalterable Chinese conditions, for the following three reasons.

- (1) The European War. They had long been hoping for this and for a German-Italian victory. They are not too sure as yet of this nor even of the advantage that this would bring to them. Hitler, flushed with success in Europe, might be intolerant of a rival in Eastern Asia and the Pacific. Japan's hold on the mandated islands and on Shantung might be forcibly shattered. This also might be true as to Japanese aspirations regarding British, French, and Dutch possessions to the south. There are other sobering factors. And Germany might not win. They want therefore to watch the progress of events in Europe before gauging the concessions they may have to make to China. If the indications are sufficiently unfavorable to Great Britain and France they will seize Hongkong and Indo-China before proceeding to the Dutch East Indies. Any such moves are hampered by the China war, but before coming to terms with General Chiang they are observing with intense concern the bearing of events in Europe on their hopes and fears.
- (2) The Wang Ching-wei Issue. They have few illusions left as to this scheme for gaining their objectives through political manipulation as a substitute for military violence. But they are loath to scrap it. The questionings among their own people would be rather awkward. The loss of "face" on the part of the Chungking Government would again be very mortifying. Individual militarists and politicians among them would suffer in prestige. For reasons such as these they would much prefer to open informal parleys with Chungking and having reached an understanding let the puppets fade inconspicuously out of the picture. But as against such a procedure they are told that it would be out of the question for the Chungking officials to consider approaches from those who had erected and were the sole support of a rival and rebel regime. So they are letting the matter drift a while longer.

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

To the
 Yenchiing Trustees

2.

July 6, 1940

- (3) The Latest Final Offensive. They had repeatedly announced to their people that within a given period (of weeks or months) the Chinese resistance would be finally crushed. Recently again they promised that this would be achieved in two months, one of which is nearly over. Hence the incessant bombing of the whole city and environs of Chungking. Hence the massing of troops to drive against Ichang, only 350 miles down river from Chungking and therefore a dangerously close airport. Hence the desperate efforts to cut off supplies through Annam (French territory) and Burma. The threatened blockade of Hongkong or even its seizure is primarily at this stage to intimidate England into following France in agreeing to close the Burma route to shipments of war supplies for China. If Chungking finally succumbs, they can dictate peace terms more advantageous to themselves. If - as I think is far more likely - the spirit of resistance continues more grimly determined than ever, they may be ready to discuss the terms on which they know that General Chiang will insist, especially since in one or two months from now their people will be wondering why the Chungking Government still survives.

Although they are unwilling now to make counter-proposals, or still less to agree to the removing of all their troops from Chinese soil as the only guarantee of her political independence, yet they want to keep the lines of contact open. That they all are impatient to end the war has long been obvious. But the reasons why even the extremists are becoming so anxious to do so are not quite so clear. Undoubtedly misgivings and discontent are spreading among their people although unable as yet to become articulate or effective. Undoubtedly also economic conditions are growing steadily worse. More positively, their industrialists and financiers are restlessly waiting to renew the profitable export trade by which they benefited so greatly in the last European War, while their navy is no less impatient to begin its long-anticipated southward expansion. There is the ever present fear of Russia. It is disturbing to have preparations for fighting Russia wasted on an inconclusive campaign in China which was to have been a very minor prelude. But the most serious motive would seem to be the reduction in man-power. Their casualties to date must be around a million. Some estimates are higher. In any case they cannot muster enough more troops to replace losses, make any gains in one place except through costly and hazardous shifts from others, and coerce the Chinese into submission by superior force. The Chinese policy has always been to reduce Japanese fighting effectiveness rather than to hold or recover territory and it seems to be proving its wisdom. Between the ages of 25 and 35 there is now in Japan only 1 man to 18 women. This cannot go on indefinitely.

The Japanese leaders are all expecting the fall of the Yonai Cabinet in a month or so, probably to be succeeded by one organized under Prince Konoye again as Premier. There is a violent struggle in progress between the moderate and extremist elements the results of which will be seen in the composition of the new Cabinet.

To the
Yenching Trustees

3.

July 8, 1940

They are assuming that Germany will either be able to crush British resistance in the next one or two months or be compelled to give up the attempt within the year. The outcome of the European War thus synchronizes more or less with their own similar attempt to destroy the Chinese will to resist. About the time this reaches you, or soon after, you should be able to form a judgment as to the trend of events as they affect our future. Unless British and Chinese resistance both collapse within that time - neither of which would seem probable - the Japanese may then be expected to renew their efforts for a negotiated peace. Everything that I have urged before as to the responsibility and the superlative opportunity of the United States to help in bringing this calamitous conflict to an ending reasonably satisfactory to both countries is being accentuated by day-by-day occurrences.

I have also pointed out repeatedly that the final contention will be over the Japanese desire to continue to station troops in Inner Mongolia and North China, as part of the "special position" of this area. This is no more than a thinly disguised revamping of the original aim to annex it to their continental empire and of course vitiates the integrity and independence of China. The argument used is for defense against the communism which would after the war take stronger hold in China's Northwest, but the real reason is chiefly to protect their huge economic holdings in this area and continue their exploitation. Most of these, such as the railways, mines, factories, are merely plundered from their rightful owners. Others are monopolies enforced by military control wholly for Japanese as against both Chinese and western interests. Always and everywhere is the iniquitous but immensely profitable traffic in opium and its derivatives. To concede, therefore, the withdrawal of troops from this area is to sacrifice everything for which the war was rashly precipitated by the spurious "incident" of July 7, 1937, at the Marco Polo Bridge, some 15 miles from our campus. Their left flank against Russia, colonization projects more promising than those in Korea and Manchuria, economic exploitation, the "face" of the army especially, and the shock to their national pride, are all at stake. But the present Chinese leadership will never yield on this crucial issue. The conflict must accordingly continue until the Japanese will be driven to make even the concession of withdrawing troops from this area. How long that will require depends chiefly on the outcome of the European War; British, French, and American policy in regard to Japanese naval encroachments southward; and American willingness to stop selling vital war supplies to Japan while aiding China in ways that are immensely beneficial to her while costing us virtually nothing. On these latter issues I hope that every encouragement will be given to the present mission of Mr. T. V. Soong.

Tomorrow the third year of this senseless and destructive war will have passed into history. The broad lines have followed a consistent pattern, deflected temporarily by the startling events in Europe. The fate of Yenching remains inextricably bound up with the ultimate settlement as it affects North China. We can, in the light of experience thus far, probably be able to carry on as long as the world situation remains substantially unchanged. But developments such as have been suggested in this report would have immediate repercussions on us. We would be caught in the swirl of vaster forces than could be controlled by any local relationships. It is with these anxieties and uncertainties that we shall be entering upon our next - and probably most critical - academic year about the time that you will read these lines.

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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

August 15, 1940.

My dear Mr. Garside:

In the absence of Mr. Hamilton I acknowledge the receipt of your letter of August 7, 1940, with which you enclose a copy of a letter of July 6 received from Dr. J. Leighton Stuart in regard to matters relating to the situation in the Far East.

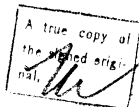
Dr. Stuart's letter has been read with interest and your courtesy in sending it to us is very much appreciated.

Sincerely yours,

Joseph W. Ballantine

Joseph W. Ballantine
Acting Chief
Division of Far Eastern Affairs

Mr. B. A. Garside,
Secretary and Assistant Treasurer,
Yenching University,
150 Fifth Avenue,
New York, New York.



FE:EC:HES
8-14

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

TELEGRAM RECEIVED



FROM

AC

GRAY

Foochow via N.R.

Dated August 12, 1940

Rec'd 4:08 a.m.

Secretary of State

Washington

August 12, 4 p.m.

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

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note
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Air raid alarm sounded at noon today, but no report of points visited or bombed is available. The area has been visited by Japanese planes almost daily since the first of August, Putien and Huakingan having been bombed on the fifth, Mintsing and Futsing on the seventh, Fuan and Santuao on the eighteenth, and Sanchiangkou on the eleventh. Accurate statements of damages and casualties are not yet available.

Sanchiangkou, seaport of Foochow, has been closed since July 31, when the British registered ~~SHENFU~~ ~~HSINHU~~ entered after waiting outside for provisioning. ~~SHENHU~~ ~~SHENYU~~ The ~~HSINHU~~ and ~~HSINYU~~ of the same line are outside the harbor but unable to enter last night, the first named having waited for seven days, while the last named arrived yesterday morning and was boarded by Japanese naval officers who told her she could

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F/F/G

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

- 2 - August 12, 4 p.m. from Foochow

could not enter. Three other ships, all British, are also being prevented from entering by the four Japanese naval vessels stationed there. Approach to Foochow from the sea is thus at least temporarily cut off.

Sent to Peiping, repeated to Department and Chungking.

WARD

CSB

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



Received from
Chinese Embassy
7/19/40
882 K

MANIFESTO OF THE SEVENTH PLENARY SESSION
OF THE KUOMINTANG (NATIONALIST PARTY)
WHICH WAS HELD AT CHUNGKING JULY 1-3, 1940

3.94
"This Seventh Plenary Session of the Central Executive Committee and the Central Supervisory Committee, elected from the Fifth National Congress of the Kuomintang, is held at the beginning of the fourth year of our sacred war of resistance. Abroad, there are to be seen violent convulsions in the world situation; at home, we have to take stock of the work done during the last six months of the war in order to remedy the faults and to accelerate progress. On each point we have made appropriate resolutions to be carried immediately into effect. The session ended, we wish to take this opportunity to emphatically reaffirm the essential truths concerning the relation between Chinese resistance and world well-being, and the road the Kuomintang and our people must tread together.

"First: Today our resistance is one of the most important forces providing security of international justice and peace. When we reflect upon the responsibility we bear towards our people, ancestors, and the world, we cannot but apply ourselves with still greater resolution to our fixed national policy of carrying on the war without thought of intermission until the enemy has been driven from our soil. When resistance began three years ago, we at once affirmed that its significance extended beyond the preservation of our people's existence. It involved the maintenance of international justice and world peace. For the fact is that a free and independent China, unafflicted by aggression, is an essential center to the stability of Asia. At the same time, true peace in Asia is necessary for world security.

"The European War (raging today is producing innumerable changes. Japan still entertains notions of using what strength remains to her, in the exhausted state of her national resources after fighting China for three years, to try her threatening and predatory tricks in the Pacific. Had China not been stoutly resisting, the outbreak of the European War would have resulted in an unthinkable state of chaos in the Far East. If Japan, having set out on her course of boundless rapine and ambition, is not checked, no other nation in the world will be able to preserve its rights and status in the Pacific and Indian Oceans; no other nation will be able to maintain even a foothold there.

"Japan's ambitions are by no means limited to any one corner of Eastern Asia. She has in view, beyond any shadow of doubt, the practice of her traditional policy described in the Tanaka Memorial: 'conquest of China as a step to the conquest of the world'. All countries in the world must recognize in Japan a common enemy and the consequently close relation between our resistance and world peace. In the recent developments of the European situation we see still deeper reason for realizing how weighty a share we have in the responsibility for stabilizing affairs in the Far East and placing those of the world on a new basis. We are called upon to put forth our whole strength to cultivate good faith and harmony with all nations friendly towards us, working with them for the solution of the world crisis. These are facts that the whole Chinese Nation is obliged to comprehend, while all friendly countries should also recognize them.

"Second: Our three years of resistance have caused the enemy's strength

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

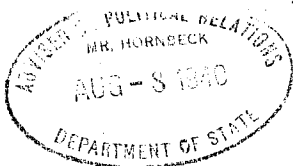
- 2 -

strength rapidly to decline. The foundation for our victory is firmer than ever. We are more confident than ever of the solid worth of our historic civilization and of the great power of the Three People's Principles. The world has been made aware by facts of the unbreakable spirit of our people. It is an immense task, however, we have set ourselves in aiming at the success of reconstruction and guaranteeing the victory of resistance: it requires us to be ever replenishing our strength as war goes on. In regard therefore to the war situation, we are fully prepared to have to meet with the vigorous last endeavors on the part of the enemy to free himself from his desperate condition. Henceforth we must intensify our political, economic and military struggle, acting with especial heed for what the Generalissimo calls 'Militarization of all conduct'. All party and government work, administration in all its stages, must be swift and sure, orderly and dignified, honest and painstaking, with observance of the law and devotion to public interest, and elimination of waste of time and talents. In our review of past party, government, army, educational and other affairs, all loose, inept, irrational, unrealistic and inappropriate phenomena must be condemned as blots on our wartime record. We must give ourselves up to fresh self-examination and speedily institute reforms where necessary. No detail must escape the party officials and public servants: their whole minds should be given up to drawing tighter the threads of organization, adjusting the allotment of personnel and heightening the efficiency of work. Then victory and enrichment of the people's livelihood, completion of reconstruction and realization of the Three People's Principles will certainly follow in shorter time than we had anticipated.

"The two main headings in the foregoing form the message the present session would convey to our fellow countrymen and party comrades."

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



Received from
Chinese Embassy
7/9/40
K

GENERALISSIMO CHIANG KAI-SHEK'S STATEMENT OF JULY 7, 1940

On the Third Anniversary of the commencement of China's War of Resistance of Japanese Military Aggression, Generalissimo Chiang Kai-shek issued the following message to friendly nations:

"(1) From the very beginning of our war of resistance we have held that the scope of our cause is not limited only to the defence of China's existence and independence; it also comprehends a service of the greatest value to future world order and human prosperity. The recent great changes of the European situation have fully proved the complete accuracy of this belief of ours. Japanese Militarists have long entertained the ambition of world conquest and their attack on China is but the first step in their whole scheme of aggression. Had China not fought in the past three years, Japan would easily have taken advantage of the opportunity found in the European War by directly attacking the territory and rights of the friendly nations on the shores of the Pacific. As things are, however, China, notwithstanding original deficiencies in military equipment has, by virtue of the people's united spirit of resolution and sacrifice, brought Japan in three years near the point of exhaustion and collapse. In contending with China's stout resistance Japan has been steadily drained of military and economic strength, while the fighting morale of both her people and army has seen even a more acute decline. The result is; Japan by now has lost the power to act as an arbiter of Pacific Affairs and all her schemes of conquest and monopoly have become unrealisable.

"(2) Our resistance having achieved the effects just described, the confidence of our whole nation in the future of the war is ever mounting. During the past year such have been the reverses suffered by Japanese Militarists that they have turned to political devices, hoping to shatter the unity of the Chinese people by the employment of puppets. Since the revelation of the so-called 'Outline of Provisions for the Readjustment of Relations Between China and Japan' or the private compact concluded by Wang Ching-Wei with the enemy on December thirtieth of last year, the merest child among us has become aware of the shameless treachery and hypocrisy of Japanese motives. Unanimous solidarity of the Chinese Nation has grown only stronger. Until Japan has entirely cast off her aggressive policy and withdrawn her forces from our soil, our resistance will never halt. This I feel in a position to reiterate solemnly on behalf of the Chinese Government and people.

"(3) The sympathy and aid extended to China by friendly nations in the past three years have impressed upon the Chinese people a sense of obligation they will never lose. In this respect I have two points which I wish frankly to put before my readers. The first is militarily and economically, Japan has already plunged deep into the quagmire from which she cannot struggle free. Japan of today is quite powerless to make war on any third nation. The threats she has recently made in regard to the Dutch East Indies, Indo-China and Burma are nothing but bullying, baseless words aimed at gaining predatory opportunist ends without resort to war. Let the powers meet such threats with discernment and stern resolution while they collaborate in devising efficacious

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

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means of checking any encroachment. They will thus be discharging their moral and legal responsibility toward China and the Far East from which nothing can absolve them. This is the imperative duty of all friendly nations thus to defend the future order of the world. At the outbreak of the Mukden incident there were some among the governments of the friendly nations that were hesitant and disconcerted, which inaction resulted in the present state of disorder prevailing all over the world. If friendly nations now treat Japanese threats to Indo-China, Burma and the Dutch East Indies with the same indifference or tolerance, the outcome will prove to be unthinkable grave. China for her part will not hesitate to oppose with force any future aggressive acts of the Japanese in Indo-China or other Asiatic areas both with a view to her own security and in pursuance of her consistent policy of working against aggression. For, in fact, all Japan's moves have for the present as their central governing motive the destruction of China's existence and independence. Again, despite the war in Europe, Soviet Russia and the United States of America have not yet been involved and therefore they are fully at liberty to exert themselves in China's favor in opposition to Japan. Such action constitutes, I believe, not only the bounden duty, but also the responsibility and right of those two countries. If America and Soviet Russia can speedily take adequate steps to provide China with material assistance, there would be little doubt of an early clarification and stabilization of the Pacific affairs as such would not by any means benefit China alone.

"(4) Finally, in regard to the possible future developments of the world situation, we have one observation to make. It is this. For the success of future efforts, for world peace, it is essential to change the self-sufficient, short-sighted habits of mind in favor of the notion of collaboration between all peace-loving nations toward the creation of a strong international organization built into an effective system of collective security. In making this appeal I am speaking for four hundred fifty million Chinese who wish to strive in company with the citizens of all friendly nations towards this goal for the establishment of a permanent world peace and the increase of prosperity of all mankind."

The Chinese Embassy,

Washington, July , 1940

0090

DECLASSIFIED: E.O. 11652, 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 situation: developments of Month of May, 1940.

For the original paper from which reference is taken

See #159
(Despatch, telegram, instruction, letter, etc.)

Dated June 10, 1940 From Hankow (Spiker)
To _____

File No. 893.00 P.R. Hankow) 155

793.94 / 16127

16177

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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

Political report
May 1940
Hankow, China

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C. Interference with Mail Addressed to Americans:

The Consulate General addressed written representations to the Japanese authorities on May 23, concerning various forms of interference with mail addressed to this office and to Americans resident in this district. Representations had been previously made in February.

The interference took the form of non-delivery of letters, magazines and books, opening of letters and delay in delivery of all types of mail.

D. Relations with Other Countries:

1. Japan.

a. Japanese Offensive.

793.94
The Japanese began on May 1 an offensive* directed at Chinese forces concentrated in and between the Tahung (大 洪) and Tapien (大 別) Mountains west of the Peiping-Hankow Railways and at the Fifth War Zone base in the Siangyang-Fancheng (襄陽-樊城) area. These Chinese concentrations, which the Japanese described as numbering more than 250,000,** have during the past six months constituted a growing menace to the security of Japanese positions along the Peiping-Hankow Railway, the Han River and, more remotely, Wuhan itself.

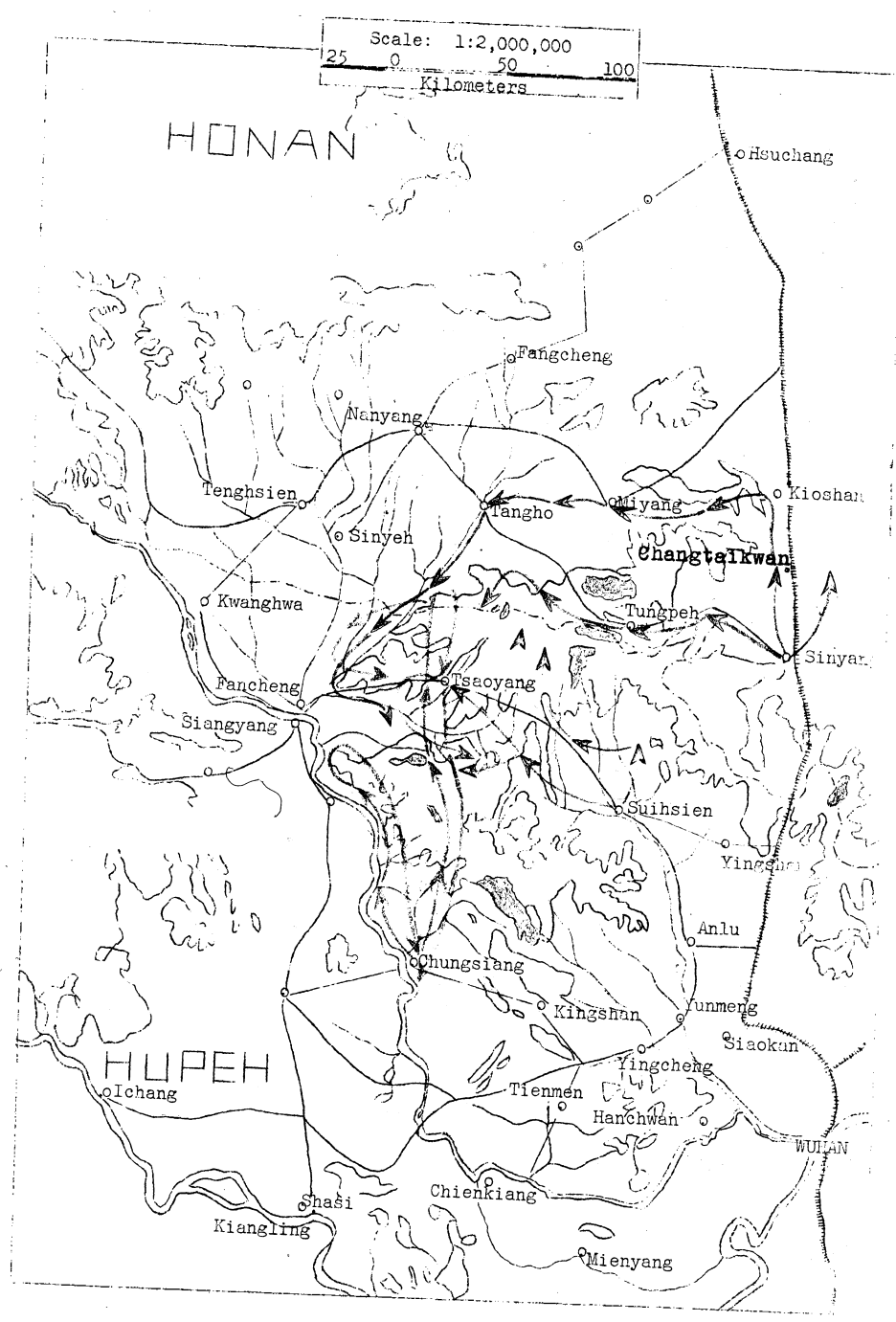
The offensive advanced in four columns: two northern ones originating from Changtaikuan (長台關) and

*Hankow's telegrams of May 7, 9 a.m.; May 14, 5 p.m.; May 17, 3 p.m.; May 23, 3 p.m.; May 29, 9 a.m.; May 31, 11 a.m.

**Japanese Army Communique, WUHAN PAO, May 26, 1940

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

Japanese May 1940 Operations: 3 Principal Columns.



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

Political report
 May 1940
 Hankow, China

-5-

and Siayang (信 陽) on the railroad, a central one based on Suhsien (隨 縣) and a western one moving up the left bank of the Han River from Chungsiang (鍾 祥). Estimates of the number of Japanese troops employed in the offensive varied from 70,000 to 150,000, with the latter figure probably somewhat closer to the facts.

The Chinese withdrew their best forces, leaving only inferior troops in small numbers to simulate resistance. The Japanese drive, therefore, advanced swiftly until the night of May 9, when the Chinese opened a counter-attack on the Japanese flanks and rear. Unseasonably rainy and overcast weather for the space of about one week benefitted the Chinese by impeding Japanese mechanized and aerial operations.

The first phase of the Japanese campaign terminated about the middle of May without the destruction of Chinese strength sought for and without the capture of Siangyang-Fancheng. The Japanese claimed with unexpected modesty to have killed during the first ten days of May while on the offensive 13,000 Chinese soldiers.* Their own casualties were not stated, but it is reported from private sources that they were heavy and that their losses of trucks and tanks were in "the hundreds".

General Itagaki arrived at Hankow on May 15, to direct, it was said, a face-saving renewal of the offensive. Reinforcements, at most 30,000, were
 dispatched

*Japanese Army communique, WUHAN PAO, May 12, 1940.

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

Political report
 May 1940
 Hankow, China

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dispatched northwest. The Japanese advance, it was announced, was resumed on May 19.

Although the Japanese operations were likened to the German drive into northern France*, it is probably more accurate to say that they failed to rearrange isolated units for a resumption of the northwestward advance. The campaign was announced as concluded on May 21. No intimation was given as to what subsequent disposition was being made of the Japanese troops in the field.

Chinese casualties during the two phases of the campaign were estimated by the Japanese to be 33,000 killed, including General Chang Tze-chung (張自忠) and 2,500 taken prisoner.** Estimates of Japanese wounded passing thorough Hankow during May were as high as 30,000. Lieutenant General Shimaoka, commanding officer of Japanese forces in East Hupeh, who was transferred to the western theatre of hostilities, and Major General Kawakita, were rumored to have been killed in May.

General Honjo arrived on May 31, ostensibly to visit wounded troops and investigate the military situation.

It was not clear at the close of the month who was the victor. The Japanese had marched through a great deal of countryside in the Honan-Hupeh border districts and had killed possibly 30,000 Chinese soldiers; both of these achievements, however, were short

*WUHAN PAO, May 25, 1940.

**Japanese Army communique, WUHAN PAO, May 26, 1940.

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

Political report
May 1940
Hankow, China

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short of the ideal which the Japanese had set for themselves. The Chinese had inflicted appreciable losses on the Japanese and had apparently twice disorganized and surrounded the Japanese; but they lacked either the will or the ability, as they repeatedly have in the past, to force an advantageous situation to a decisive and successful conclusion.

b. Aerial Activity.

Japanese aerial strength in the Wuhan area was noticeably increased. During the middle of May, 86 bombers of a new type were observed taking off from one field. Air activity during the latter half of May was intensified with heavy bombing of Chungking being the most conspicuous feature of the operations. The Japanese Navy's spokesman at Hankow declared on May 29, that "our naval air force will bomb Chungking every day until the present spirit of resistance is broken."

The Chinese air force on May 2, and 19, bombed Chungsiang; on May 20, Suihsien; on May 28, Suihsien, Anlu and Chungsiang. The results of these raids are unknown.

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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 situation: military and "political" developments
of month of May, 1940.

793.94/10123

For the original paper from which reference is taken

See #200
(Despatch, telegram, instruction, letter, etc.)

Dated June 11, 1940 From Foochow (Ward)
To

File No. 393.00 P.R. Foochow/148

DECLASSIFIED: E.O. 11652, 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
B. Relations with Japan.

1. Japanese aerial activity. A total of forty-five planes engaged during May in seventeen reconnoitering flights over this consular district, while in eight other flights thirty-two bombs were dropped, among the towns attacked being Kuk'ou and Yukik'ou, up-river ports, and Santuo and Sanchiang'ou, the two coastal ports which have afforded the Foochow area its only remaining outlets.

2. Movement against Wang Ching-wei. The movement against Wang Ching-wei in this area apparently continued during the month, arrangements having been made for the casting of ten of the so-called "kneeling statues" in different districts in northern Fukien, while the collection to hire an assassin to shoot him continued. These facts are regarded as of national significance, since many of Wang's supporters are Fukienese, and he may well have expected the early inclusion of Fukien in the territory under his nominal control.

0098

DECLASSIFIED: E.O. 11652, 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 conflict: military developments of month of
June, 1940.

793.94

793.94/16129

For the original paper from which reference is taken

See #201
(Despatch, telegram, instruction, letter, etc.)

Dated July 1, 1940 From Foochow (Ward)
To

File No. 893.00 F.R. Foochow/149

16129

0095

DECLASSIFIED: E.O. 11652, 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.

743.94

Absence of aerial or other activity. There was a marked lull in Japanese aerial and other activity related to this district throughout June. There were no bombing attacks on any point in northern Fukien during the month, and only occasional reconnaissance flights. Nor was any marked activity along the coast reported here, the only Japanese naval movements of note which occurred being those as a result of which two of the steamers calling at Sanchiang'ou were stopped by Japanese men-of-war and held outside the harbor for varying lengths of time, delaying the mails by several days. The continued presence of Japanese naval vessels off Santuao kept that port closed throughout June.

0100

DECLASSIFIED: E.O. 11652, 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

256

TELEGRAM RECEIVED

JI

PLAIN

FROM

Chungking

Dated August 13, 1940

Rec'd 1:30 p.m.

Secretary of State

Washington

397, August 13, 2 p.m.

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

8/14/88

793.94

Today on the third anniversary of the outbreak of hostilities in the Shanghai area General Chiang Kai Shek issued a statement directed especially to Chinese in Shanghai and in the occupied areas. The statement was featured in today's Chinese press and provided inspiration for a number of leading articles on the subject. General Chiang is quoted in the statement as saying quote I consider my duty not faithfully discharged as long as the enemy has not completely withdrawn from our territory and as long as my fellow countrymen have not been fully liberated dash dash dash our compatriots in the occupied areas should remember that we will never abandon a single inch of our territory and that the enemy is certain to fail in the end dash dash dash unquote.

The Generalissimo denounced the fostering of drug trafficking

793.94/13130

F/EEGP

10 1940

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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

JI-2-#397, August 13, 2 p.m. from Chungking

257

trafficking and the commission of atrocities in the occupied areas, mentioning in the latter connection incidents which he asserted occurred recently at Tsingpu, Sungliang and on Tsungming Island near Shanghai. In pledging that he would not relax in his duty of saving the nation and freeing his people General Chiang called upon Chinese in the occupied areas to seek every possible means of carrying on the war and not to place their services at the disposal of the Japanese or their puppets.

A fuller summary will be transmitted by air mail.

Sent to the Department, repeated to Peiping and Shanghai. Shanghai please mail to Tokyo.

JOHNSON

WSB

0102

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

FE

TELEGRAM RECEIVED

JR

FROM

GRMY

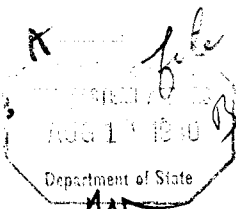
Foochow via N. R.

Dated August 13, 1940

Rec'd 1:30 p.m.

Secretary of State,
Washington.

August 13, 5 p.m.



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

8/14/40

793.94
note

Two alarms have been sounded here today, but reports so far received indicate only an aerial reconnaissance of Sanchiangkou which according to an official report was again bombed yesterday, although press reports state that five planes yesterday bombed Fengting on the coast of Hsienyser district and do not mention any other bombing.

893.8007

It is now reliably reported that the steamship SHENHUA, mentioned in my August 12, 4 p.m., was pirated on August 8, the wireless operator and second engineer being held for two days by the pirates who took off 250 tons of cargo in motor boats, freeing the ship on August 10. British owner of the ship states that he believes pirates to have had Japanese protection.

Sent to Paiping. Repeated to Department and Chungking.

WARD

TFV

793.94/16131

FILED
F/HG

0103

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

J. M. FORBES & CO.
 614 SEARS BUILDING
 BOSTON, MASS.

PERSONAL

August 9, 1940

July 16, 1940.

AM 8 59

Colonel Stanley K. Hornbeck,
 Department of State,
 Washington, D. C.

ADVISER ON POLITICAL RELATIONS
 MR. HORNBECK
 JUL 23 1940
 DEPARTMENT OF STATE

My dear Colonel,

I have just had brought to my attention a very extraordinary document, which appears in Senate Document No. 55, entitled Conditions in Manchuria, in which Secretary Stimson states explicitly that he requested and received assurance through me that the Japanese troops would not advance upon Chinchow in China. This was some time in late 1931. The dates he mentioned I think are November 24th and the few days immediately following.

Neville, who has been staying with me, has the events of those days burned in his mind, very much as I thought I had them in mine, and my recollection of the whole episode was that Shidehara, in utmost confidence, informed me that he had at last persuaded the Army to let him negotiate with the Chinese to see if they could agree upon a neutral zone, the Chinese Army to withdraw as I remember it back of the Great Wall, and Shidehara was even then conducting these negotiations with the Chinese.

What happened, as I remember it, was that Mr. Stimson gave the purport of this confidential message of mine out to the press that afternoon, the result being

793.04/16132

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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 C. Gustafson NARS, Date 12-18-75

-2-

that Shidehara informed me verbally that Secretary Stimson had made his position untenable. My position was made of course extremely embarrassing and the immediate result was the stiffening up of the Chinese demands, practically immediate advance of the Japanese armies and the taking of Chinchow shortly afterward by force with considerable loss of life.

I recently took Professor Whitney Griswold of Yale to task for quoting that and he brought me the Senate Document, which I read with amazement, which supports his view, being a direct statement of Secretary Stimson.

Both Neville and I were dumbfounded at this document, which I ought to have seen and hadn't, and the object of this letter is to ask you to have the files looked up and see whether I was at any time asked by the Secretary to ask Shidehara for such an assurance and, if asked, whether any reply was received which would justify him in stating that he had received one.

Before seeing this document I had written Professor Griswold asking his justification for the statement and I had also written to Ambassador Grew, who made statements somewhat along the same lines, suggesting that he look up the record.

I did not keep in my personal files copies of the official cables that went back and forth, as I was told that this was something that an Ambassador was not free to do. I have got in my journals some of the phrases that I sent but

0105

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

SCR
 10/10/72
 10/10/72

August 9, 1940

My dear Mr. Forbes:

In the absence of Mr. Hornbeck who is at present away from Washington, I acknowledge the receipt of your letter of July 16, 1940, addressed to him. In your letter you refer to a communication dated November 27, 1931, from the Secretary of State to the Japanese Minister for Foreign Affairs, the text of which is published on page 42 of Senate Document No. 12, entitled "Conditions in Manchuria". In the communication under reference the Secretary mentioned representations made to, and assurances received from, the Japanese Government through you as American Ambassador to Japan in November 1931, relating to the situation which had developed in regard to Chinchow, Fengtien, Manchuria.

A search of the Department's files relating to the representations and assurances mentioned in the communication under reference has been made. This search has disclosed

The Honorable
 W. Cameron Forbes,
 J. M. Forbes and Company,
 614 Sears Building,
 Boston, Massachusetts.

793.94/16132

F/FG

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0106

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-

disclosed a telegram under date November 23, 1931, addressed to the Embassy at Tokyo stating that the Secretary of State had been informed by the Japanese Ambassador at Washington that, at a meeting of the Council of the League of Nations, Japan had proposed that a neutral commission be appointed to investigate all matters of a controversial nature existing between Japan and China. The telegram stated further that the draft of a proposal which was pending before the Council of the League of Nations and which was evidently based upon the above mentioned Japanese proposal was later received by the Department and that this draft included a provision calling upon the Chinese and Japanese Governments to give the commanders of their forces the strictest instructions not to initiate any action which might result in further fighting and loss of life and to take all necessary steps to the end that the situation might not be further aggravated. The Department requested that you call upon the Japanese Minister for Foreign Affairs (Baron Shidehara) and convey to him the very strong feeling of the Secretary of State that although Japan's proposal for an impartial investigation was a long step forward in the pending negotiations, it would nevertheless fail to accomplish the purpose intended and to win the support of world opinion unless in

the

0107

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

-3-

the proposal there was at least some provision, such as that included in the draft proposal pending before the Council, for a cessation of hostilities. The Department asked also that you say to Baron Shidehara that the Secretary had read with great apprehension press reports giving the impression that an expedition against the forces of the Chinese Government near Chinchow was being planned by the Japanese military command; that you express to Baron Shidehara the Secretary's hope that these reports were unfounded; and that you add that, in the Secretary's opinion, such an expedition, if carried out, would make the Japanese Government's wise suggestion for useful work by the Commission impossible of accomplishment.

S The Department's files contain also a telegram from you dated November 24, 1931. In this telegram you reported that you had called upon Baron Shidehara and had carried out the Department's instructions as indicated above. You said that Baron Shidehara had stated that he, the Premier, the Secretary of War and the Chief of Staff were agreed that there should be no hostile operations toward Chinchow and that orders to that effect had been issued. You reported that, although Baron Shidehara had agreed to the clause in the draft proposal pending before the Council of the League of Nations for the prohibition of hostilities during

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

-4-

during the proposed investigation, he had insisted that Japanese forces must protect Japanese nationals against the marauding bandits which infested the country; that he had asserted that there was no political significance in the retention of troops at Taitshih; and that he had said that the fighting referred to in press reports was not near Chinchow and was being carried on merely for the purpose of driving out bandits who were threatening to cut the South Manchuria Railway.

At a press conference on November 27, 1931, the Secretary of State indicated the substance of the representations made to, and assurances received from, the Japanese Government relating to the situation which had developed in regard to Chinchow. The Secretary's statement, which may be of interest to you, is published in Press Releases for November 28, 1931, a copy of which I enclose.

Upon Mr. Hornbeck's return to Washington I shall not fail to bring your letter to his attention.

Sincerely yours,

✓

JR

9 1940 AM

Enclosure:

Press Releases.

RB
 FE:RB:MHP GA FE
 7/29/40

P/M
 GH

0105

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

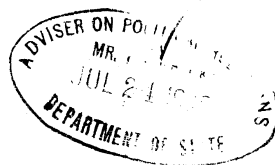
PA/H

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

RECEIVED
DEPARTMENT OF STATE

July 24, 1940.

AM 8 59



F W - 793.94/16132

793.94

Reference the letter of July 16, 1940 from former Ambassador W. Cameron Forbes. Mr. Forbes refers to a communication dated November 27, 1931 from the Secretary of State (Mr. Stimson) to the Japanese Minister for Foreign Affairs (Baron Shidehara) in which the Secretary refers to representations made to, and assurances received from, the Japanese Government through Ambassador Forbes in November 1931 relating to the situation which had developed in regard to Chinchow. Mr. Forbes asked whether such representations were made and such assurances received.

From a search of the files it would appear that

the

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AUG 1 1940

-2-

the statement made by Mr. Stimson in the communication to which Mr. Forbes refers (published in Senate Document no. 55 "Conditions in Manchuria", 72d Congress, 1st Session, page 42) is correct. The files indicate the following:

1. On November 23, 1931 the Department sent to Ambassador Forbes at Tokyo an instruction requesting the Ambassador to call upon Baron Shidehara with reference to a proposal reported to have been made by Japan to the Council of the League of Nations for the appointment of a neutral commission to investigate all matters in controversy between China and Japan. The instruction read in part:

Confidential Code
"Please convey to him further that I have read with great apprehension reports in the press giving the impression that the Japanese military command is planning a military expedition against the forces of the Chinese Government near Chinchow and that I sincerely trust that there is no foundation for this report. If such an expedition were effected it would, in my opinion, render quite impossible any useful work on the part of the Commission as wisely suggested by the Japanese Government." (Department to Tokyo no. 240, November 23, 1931, 7 p.m., confidential, 793.94/2945 C.)

2. On November 24, 1931 Ambassador Forbes reported to the Department that he had carried out the Department's instruction referred to above on November 2⁴, and that Baron Shidehara had stated inter alia "that he, the premier, the Secretary of War and the Chief of Staff ~~had~~^{are} agreed

Conf Code

-3-

3. On November 27, in reply to questions at a press conference relating to reports that General Honjo's army had moved southward from Mukden, the Secretary said that he was at a loss to understand these reports in view of the very definite assurances which he had received from the Japanese Government. He added that no confirmation of the reports had been received and that he was speaking solely from press despatches not for quotation but for attribution. He then referred to the representations made by the United States to the Japanese Government on November 2⁴ and to the assurances received from Baron Shidehara on November 24. The Secretary's statement was distorted in the press despatches published in Tokyo and the Japanese Foreign Office gave to the press on November 28 a "vigorous written statement" speaking of the Secretary's precipitate action in disclosing confidential exchanges and taking particular exception to the Secretary's alleged statement that the Japanese Army had run amuck. These statements or reported statements led to acrimonious attacks upon Baron Shidehara

by

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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

-4-

by the Japanese Army. The Secretary on November 28, in order to clear up the situation, gave out the record of his press conference of November 27.

4. On November 29 Ambassador Forbes reported that in his conversation of November 24 with Baron Shidehara the latter had detailed the series of interviews he had held with the general staff of the Secretary of War with reference to the question of Chinchow with the express request that the information be confidential and for the Ambassador's information only. The Ambassador had summarized a message which he proposed sending to Washington upon the subject to Baron Shidehara and had received the latter's assent to its transmission. Ambassador Forbes stated "although marking my telegram 'confidential' I now blame myself for not having inserted a further indication that Baron Shidehara wanted this part kept from the public ..."

Conf. Code

RD
FE:RS:BLS

0113

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

SKH file

August 29, 1940.

Dear Governor Forbes:

Reference, our conversation of this morning.

The telegram from the Department to the Embassy asking you to make certain representations to the Japanese Minister for Foreign Affairs was dated November 23, 7 p.m., "Confidential for Forbes from Stimson". Your reply stating that you had conveyed purport of the message to Baron Shidehara "at six o'clock this evening" was dated November 24, 10 p.m., "Confidential for the Secretary of State".

It always gives me great pleasure to see you and to talk with you. I wish that you would come more often and that you would stay longer.

With every best wish--always, I am

Yours sincerely,

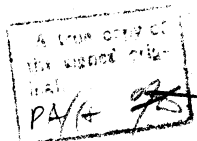
STANLEY K. HORNBECK

The Honorable

W. Cameron Forbes,

614 Sears Building,

Boston, Massachusetts.



793.94/16132

PS/VH

16132

793.94/16132

SKH:ZMK

0114

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

Your telegram said, "He [Baron Shideharal] stated that he, the Premier, the Secretary of War and the Chief of Staff are agreed that there shall be no hostile operations towards Chinchow and orders to that effect have been issued."

0115

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

FE

TELEGRAM RECEIVED

JR

GRAY

FROM

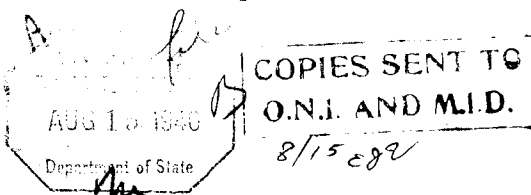
Foochow via N. R.

Dated August 14, 1940

Rec'd 2 p.m.

Secretary of State,
 Washington.

August 14, 6 p.m.



Japanese planes are reported to have dropped 8 bombs on Sanchiangkou this morning, no reports of damages or casualties being at present available. Rumors in Foochow that a small Japanese foraging party landed at Sanchiangkou around noon today cannot be verified and are probably false, but have occasioned considerable tension here, where air alarm has been on most of the day.

Owner of steamship ~~SHENYU~~ ^{SHENYU} has ordered it to return to Shanghai with passengers, cargo, and mails, and he states that Shanghai Customs are issuing no further clearances for Sanchiangkou from today, suspending the last steamship service to this area.

Sent to Paiping. Repeated to Department and Chungking.

WARD

TFV

793.94/16133

F/FG

793.94

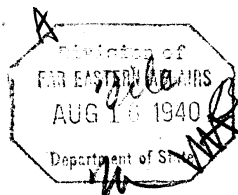
0116

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

TELEGRAM RECEIVED

FROM

HR



GRAY

Foochow via N.R.

Dated August 15, 1940

Rec'd 1:55 p.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.
9/16/40 RER

August 15, 3 p.m.

Air alarm was on this morning and has sounded again this afternoon in Foochow, although no planes have appeared here. Official sources report that three Japanese planes dropped four bombs on Hankong this morning and that in a second raid on the same point by eight planes this afternoon ten bombs were dropped.

793.94

According to a reliable statement, yesterday's bombing was on a small village instead of Sanchiangkou, and reports of a landing arose from the fact that a chartered foreign steamer which had been unsuccessfully trying to enter Chuanchow with a cargo for that port shipped into Sanchiangkou at 6 o'clock yesterday morning followed by two or three Japanese trawlers trying to intercept her. Chinese troops ashore, believing that landing was to be attempted, fired upon the trawlers and the latter withdrew, the steamer safely

793.94/16134

F/EG

0117
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

HR 22 Tel.#-, August 15, 3 p.m. from Foochow
via NR

safely making harbor.

The prefix "HSIN" in the steamship's names
mentioned in my August 12, 4 p.m., August 13, 5 p.m.,
and August 14, 6 p.m. should read "SHEN".

Sent to Peiping. Repeated to Department and
Chungking.

WARD

TFV

0118

DECLASSIFIED: E.O. 11652, 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. 612.

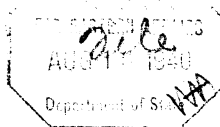
Chungking, July 29, 1940

Subject: Japanese Bombing of Hochuan, Szechuan.

Air mail

1940 AUG 15 AM 10 35

RECEIVED
 COMMUNICATIONS
 AND RECORDS



| For Distribution-Check | | Yes | No |
|------------------------|---|----------------------|----|
| Grade | ✓ | | |
| For | | | |
| | | To Fall
In U.S.A. | ✓ |

793.94

note
 793.94116

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to transmit for the information and records of the Department the following details in regard to the Japanese aerial bombardment of Hochuan, Szechuan (四川合川), a small city located about fifty miles north as the crow flies of Chungking on the Kialing River, on July 22, 1940. The information has been received from reliable sources and is regarded as accurate.

On Monday afternoon, July 22, 1940, approximately eighty Japanese planes flying in three formations attacked the city of Hochuan. As Japanese planes had flown over the city on numerous occasions in attacking Chungking and had never troubled to drop bombs on Hochuan, the majority of the inhabitants failed to take shelter or retire to the countryside. The Japanese released their

bombs

733.94/16135

F/FG

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

AIR MAIL

- 2 -

bombs in the most thickly-populated sections of the city. Enormous destruction resulted and fires were still raging four days later when an American Mission-sponsored hospital unit left Hochuan to return to Chungking. The loss of life was appallingly great for a small city. Eight hundred bodies had been recovered up to July 25-- more than the total casualties caused by German air raids on Great Britain to date-- and four hundred persons were injured, of whom at least one hundred were not expected to live. How many more bodies will be discovered when the debris is removed remains to be seen. Moreover, many of the victims were burned to death.

Half of the city is said to have been reduced to ashes. No military objective, so far as observers could determine, was struck. Indeed, the city is said to be without military significance, although it is a center of some commercial and shipping importance.

This attack, coupled with raids on Chengtu on July 24 and on Wanhsien on July 28 (on neither of which details are available to the Embassy) seems to indicate a recrudescence of Japanese aerial attacks on open Szechuan cities, apart, of course, from Chungking, which has been under fairly continuous bombardment since May 28, 1940.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson

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

711.6/710

EFD:MCL

0120

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

DE

TELEGRAM RECEIVED

ATF

GRAY

FROM

Nanking via NR

Dated August 16, 2 p.m.

Rec'd 6:37 a.m.

COPIES SENT TO
O.N.I. AND M.I.D.
9/1/40 REV

Secretary of State,
Washington

Division of
Foreign Affairs
AUG 17 1940
Department of State

83 August 16, 2 p.m.

From a fairly reliable source it has been learned that on August 14th during the course of a blackout air raid drill, Japanese gendarmes seized six Chinese gunmen found hiding in the vicinity of Wang Ching Wei's residence. Another report which is believed to be wholly unfounded but which is being repeated by local Chinese officials, merchants and others, is to the effect that General Mishio while inspecting the Ichang front was recently taken prisoner by the Chinese air force. The story is so circumstantial that even the conversations alleged to have taken place between Generals Chiang and Nishio following the latter's capture are being repeated in detail. While obviously propaganda it is being persistently and widely circulated and indicating at least that Chungking agents in this city are not inactive.

Sent to the Department repeated to Chungking and Peiping, by mail to Tokyo and Shanghai.

STANTON

WWC

793.94/16136

F/N

793.94

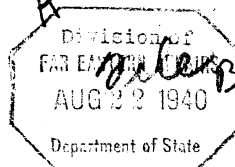
note
793.94114

0121

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

TELEGRAM RECEIVED

FROM
CORRECTED COPY



JR

GRY

COPIES SENT TO
O.N.I. AND M.I.D.
122/30 KSK

Foochow via N. R.

Dated August 16, 1940

Rec'd 1:50 p.m.

Secretary of State,

Washington.

August 16, 6 p.m.

Fourth air alarm to be sounded in Foochow today has not yet been released, but no bombings have so far been reported, although the aircraft carrier which has been for the past week in Hinghua Bay is now at the mouth of Min River. Reliable information indicating that official report minimized seriousness of yesterday's bombings of Hankong, in which ninety people are now said to have perished and Transport Monopoly's warehouses to have been destroyed.

Sent to Peiping repeated to Department and Chungking.

WHD

WIC

FM 793.94/10137

F/FG

0122

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

TELEGRAM RECEIVED

FROM

JT

GRAY

FOOCHOW VIA N.R.

Dated August 16, 1940

Rec'd 1:50 p.m.

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

Secretary of State,
Washington.

August 16, 6 p.m.

Fourth air alarm to be sounded in Foochow today has not yet been released, but no bombings have so far been reported, although the aircraft carrier which has been for the past week in Hinghua Bay is now at the mouth of Min River. *Reliable information* Representations will be made indicating that official report minimized seriousness of yesterday's bombings of Hankong, in which ninety people are now said to have perished and Transport Monopoly's warehouses to have been destroyed.

Sent to Feiping repeated to Department and Chungking.

WARD

WWC

793.94/16137

F/FG

0123

DECLASSIFIED: E.O. 11652, 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

THE SECRETARY

0124

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

March 28 1940

To the

American Consular Officer in Charge,
Shanghai, China.

A letter of March 9, 1940, written to the President from California by Mr. George H. Greene, Jr., whose address is Care of the National City Bank of New York, Shanghai, China, in regard to matters relating to the situation in the Far East has been referred to the Department.

The Secretary of State requests that the Consular Officer in charge, unless he perceives objection thereto, make appropriate acknowledgment of Mr. Greene's letter, informing him that the comments and suggestions contained in his letter have been carefully noted and that the spirit which prompted him to bring his views to the Government's attention and his cordial expression of confidence in the Government are very much appreciated.

793.94/16137A

793.94

CR
MAR 27 1940 PM

FE:EGC:HES
3-26

FE
3-26

F/FG

0125

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict: effect on American interests.

Article, appearing in the magazine BOLSHEVIK, No. 10, May, 1940,
entitled "Japanese-American Disputes", refers, in part, to,
Summary of article submitted.

For the original paper from which reference is taken

See #554
(Despatch, telegram, instruction, letter, etc.)

Dated June 21, 1940 From U.S.S.R. (Thurston)
To

File No. 711.94/1642

793.94/16138

16/38

012F

DECLASSIFIED: E.O. 11652, 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 Threatened Japanese pressure ("aggression") against French Indochina for certain concessions, to the detriment of China; latter's determination to adopt appropriate measures: question as to what action the U.S. would take in response to such eventuality.

Letter of August 10, from Chinese Foreign Minister, requesting views of Department in premises. Text of-, quoted.

793.94/16139

For the original paper from which reference is taken

See Tel #393; 9am
(Despatch, telegram, instruction, letter, etc.)

Dated Aug 12, 1940 From China (Chungking) (Johnson)
To _____

File No. 751g.94/24

16139

0127

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

FE

JT

SPECIAL GRAY

CHUNGKING VIA N.R.

Dated August 12, 1940

Rec'd 8:20 a.m.

10-13
793.94

Secretary of State,
Washington.

393, August 12, 9 a.m.

Following is text of a personal and confidential
letter dated August 10 from the Minister for Foreign
Affairs:

"Dear Mr. Johnson:

From the French Government at Vichy and other reliable
sources we have learned that the Japanese have demanded the
Indo-Chinese Government to permit the passage of Japanese
troops China's southwestern provinces and have probably
presented other demands of a similar nature including the
establishment of military and naval bases in the French
colony. We naturally feel very much concerned, and have
warned the French Government against permitting or conniving
at any Japanese military operations in Indo-China directed
against this country. We are taking all possible precautions
and will, in the event of the Japanese armed forces
extending their sphere of action to Indo-China, adopt
such

7519.94/24

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

-2- #395, August 12, 9 a.m., from Chungking

such measures as are necessary to and compatible with the security of the sovereign provinces.

We know that the Government of the United States is likewise deeply concerned with any attempt at disturbing by force the status quo of Indo-China as well as the possible invasion of yet another part of China's territory through a neighboring country. We are sure that the Government of the United States is watching this particular phase of the Far Eastern situation very attentively. The representations reported to have been made by Ambassador Grew to the Minister for Foreign Affairs in this regard might, I hope, produce some restraining influence on the Japanese who after all cannot fail to realize that the United States is an important factor always to be reckoned with in their attempt at establishing 'a new order in greater East Asia', which geographical expression, as the Japanese authorities have unblushingly pointed out, includes all South Sea regions.

The Chinese Government and naturally the French Government too, will be very much interested to know, I feel, what action if any the Government of the United States will take in case of an actual attack by the Japanese on Indo-China with a view to the invasion of Southwestern China.

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

-3- #393, August 12, 9 a.m., from Chungking

I have reason to believe that the indication of the attitude of the Government of the United States commensurate with the seriousness of the situation likely to develop will go a long way to strengthen the Dutch Government and even the French to resist attack and thus help us secure the best possible result through our own efforts.

I shall be much obliged if you will kindly refer this question to the Department of State and confidentially inform me of its views there anent. (Signed) Wang Chen Hui."

Repeated to Peiping, latter mail to Tokyo.

JOHNSON

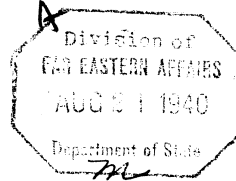
WSB

0130

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

TELEGRAM RECEIVED

FROM



HSM

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

Tokyo

Dated August 20, 1940

Rec'd 11:31 a. m.

Secretary of State,
Washington.

718, August 20, 8 p. m.

Shanghai incident July 7.

During the course of a conversation at the Foreign Office today we were informed that according to reports received from the Japanese authorities at Shanghai they were still under the impression that Butrick was acting under instructions which prevented him from accepting a settlement which had been agreed upon by Admiral Glassford and Commander Kuwabata.

If this assumption is inaccurate it would be helpful to us to be so informed with authorization to so advise the Foreign Office.

GREW

CSB

793.94/16140

793.94
NOTE
893.102-1

NOV 16 1940
F/FG

0131

DECLASSIFIED: E.O. 11652, 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
PARTAIR
PLAIN
"Br"
Washington, NAVAL RADIO

Department of State

Collect ☐ Full rate
☐ Day letter
☐ Night letter

Charge Department:

Full rate
Day letter
Night letter

Charge to

\$

August 20, 1940

AMEMBASSY,

TOKYO (JAPAN) VIA SHANGHAI (CHINA).

INFO: AMEMBASSY, PEIPING (CHINA).
AMEMBASSY, CHUNGKING (CHINA).
AMERICAN CONSUL, TSINGTAO (CHINA).

793.94/16140
Your 718, August 20, 8 p.m.

The Department has received no repeat no information indicating that any settlement had been agreed upon by Admiral Glassford and Commander Kuwabata. Reference to discussions between Admiral Glassford and Commander Kuwabata were contained in Shanghai's 758, August 8, 6 p.m., which, according to the closing formula, was repeated to you.

on this subject
The Department's latest instruction to Butrick was contained in its 356, August 9, 5 p.m., which made particular reference to previous pertinent instructions: the Department's 317, July 18, 10 a.m. to Shanghai; 287, August 1, noon, to you; and 355, August 8, 5 p.m., to Shanghai. Shanghai was instructed to repeat to you those instructions. It will be noted especially from the last telegram above cited that the Department continues to hope for a local settlement.

Please repeat your telegram under reference to Shanghai.

Sent to Tokyo via Shanghai. Repeated to Peiping,

Enciphered by _____

Sent by operator _____ M., _____, 19____

0132

DECLASSIFIED: E.O. 11652, 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
PARTAIR
PLAIN

Collect { Full rate
Day letter
Night letter

Department of State

Charge Department:

Full rate
Day letter
Night letter

-2-

Washington,

Charge to Chungking and Tsingtao.
\$

Wells
Acting

Wells

GA
FE:GA:MHP

FE

PA/H

CR ✓
AUG 20 1940PM

Enciphered by _____

Sent by operator _____ M., _____, 19____

0136

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

4E

TELEGRAM RECEIVED

JR

PLAIN

COPIES SENT TO
O.N.I. AND I.D.
8/21/40 ask

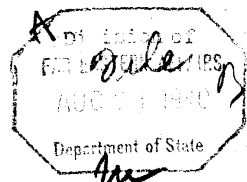
FROM

Chungking via N. R.

Dated August 20, 1940

Rec'd 12:52 p.m.

Secretary of State,
Washington.



793.94/16141

406, August 20, 11 a.m.

One. Commencing at one forty-five a.m., on August 19 Japanese planes apparently numbering about eighty-five in all carried out four aerial attacks on Chungking, the last raid coming shortly before two o'clock in the afternoon. Bombs, both high explosive and incendiary, were scattered over a wide area of the city including the western district, a small area in Kiangshen and the south central business district. It is reported that a total of thirty eight fires were started but all except two in the south central district were quickly extinguished. The latter conflagration spread over considerable areas reportedly destroying upwards of two thousand shop and residential buildings before being brought under control at a late hour in the evening. Casualties are reported heavier than usual and may number several hundred persons including more than one hundred fatalities.

793.94
note

393,1163 M56

Two. All Americans are safe. The Lewis Memorial Church of the American Methodist Episcopal Church was completely

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- #406, August 20, 11 a.m., from Chungking.

completely destroyed by fire resulting from an incendiary bomb. No (repeat no) estimate of losses has been supplied to the Embassy. No (repeat no) other reports of damage to American owned properties has been received.

Three. Chungking was also bombed by an unknown number of Japanese planes at about two fifty a.m., on August 18 but little damage resulted.

Sent to the Department. Repeated to Peiping, Hankow, Shanghai. Shanghai please repeat to Tokyo. Copy by mail to Yunnanfu.

JOHNSON

TFV

013

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

TELEGRAM RECEIVED

FROM

*Read to Mr Swift (phone)
+ copy later sent to him
informally. 8/21/40 recd*

MacD



GRAY

Chungking via N. R.

Dated August 20, 1940

Rec'd 12:50 p.m.

Secretary of State
Washington

*Telegram to
Chungking*

793.94/16142

408, August 20, 7 p.m.

Bombings yesterday and today with incendiary bombs have devastated large areas of city. I have not been approached by any one but I apprehend that city government is going to have a serious problem of homeless people and suggest Red Cross might make a donation of 5 or 10 thousand United States currency which I could deliver to mayor for relief purposes.

JOHNSON

KLP

793.94
note
893.48

OCT 14 1940
FILED

F/FG

0138

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

EE

TELEGRAM RECEIVED

EDA

PLAIN

FROM

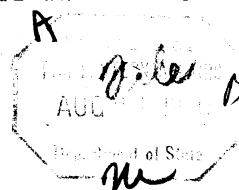
CHUNGKING VIA N.R.

Dated August 21, 1940

Received 9:06 a.m.

Secretary of State
Washington

COPIES SENT TO
O.N.I. AND M.I.D.
8/21/40 R&K



411, August 21, noon.

703.94

Three formations totalling about ninety six Japanese bombing planes on August 20 conducted yet another attack on Chungking and environs. One group flew east to west over the so-called safety zone dropping numerous incendiary bombs in the lower central commercial section of the city. Numerous fires were started causing what appears to have been the most serious and widespread property damage yet experienced in the many bombings of Chungking. Losses were, of course, almost wholly restricted to shop residential and institutional structures there being no military objects in the bombed area. Among properties damaged or destroyed were those of the Canadian mission including a church, school and hospital, a large Buddhist Temple, the Friend's Mission (British) the Chinese Y.M.C.A., the Custom Commissioner's residence and the office building of Jardine and Matheson and Butterfield and Swire, British shipping firms. Casualties appear to have been light. A second group bombed the

Haitangchi

703.94/16143

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

EDA - 2 - #411, August 21, noon from Shanghai

Haitangchi area on the south bank apparently causing little damage while a third group released bombs in an industrial area along the south bank of the Yangtze a mile or more down river from the north end of the original so-called safety zone.

All Americans are believed safe. Thus far the Embassy has received no (repeat no) report of damage to American-owned property.

Sent to the Department. Repeated to Peiping, Hankow, and Shanghai. Shanghai please air mail to Tokyo. Air mailed to Yunnanfu.

JOHNSON

TFV

0138

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 24, 1940.

~~EC:~~
~~GA:~~
~~WAA:~~
~~RCM:~~
~~JWB:~~

Chungking's despatch 601, July 17, 1940, concerning Japanese destruction in the wake of the early June invasion of the Slangyang-Fancheng area.

To note this brief despatch.

The last paragraph of the despatch seems to be much more rhetorical than informative. It is recalled that General Sherman had a theory similar to that described and made some philosophical comments on the results of it.

793.94/16144

Nars
FE:KCK:FR



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 601.

Chungking, July 17, 1940

Subject: Conditions in Siangyang-Fancheng
Area in Wake of Japanese Invasion
of Early June: Japanese Depreda-
tions of the Countryside.

AIR MAIL

RECEIVED
JUL 20 1940

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

7/24/40

The Honorable

The Secretary of State,
Washington, D. C.

COPIES SENT TO
O.N.I. AND
8/24/40

Sir:

I have the honor to refer to my despatch no. 588, July 10, 1940, enclosing a copy of a letter received by the Embassy from the Reverend Arthur E. Nyhus in which he comments on various aspects of the Japanese invasion of south Honan and north Hupeh in May and early June 1940, and to enclose further in connection with this general subject a copy of a letter, dated June 12, 1940, addressed by Dr. C. Barton Nelson to the American Consul at Yunnanfu. A copy of Dr. Nelson's letter was received by the Embassy on July 17, 1940.

Briefly, Dr. Nelson reports that Japanese forces occupied Siangyang, apparently without Chinese resistance, on June 1, 1940; that foreigners were treated courteously by Japanese officers although there was some molestation by Japanese soldiers; that foreign residents and their property were not injured; that Japanese forces before retiring from Siangyang on June 2, 1940 shelled Fancheng (on the opposite bank of the Han River), indulged in looting, and set fire to the city, three-fourths of which was burned; that Fancheng was also burned but that the identity of the perpetrators was not established; and that the Japanese burned other cities and towns in the course of their withdrawal.

The

0140

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

AIR MAIL

- 2 -

The significant point to be gleaned from these independent accounts, it would seem, is that the Japanese military forces carried out a wide-spread, systematic and pitiless campaign of destruction in the areas through which they passed in the recent Hupeh and Honan operations. Another American missionary writing from Nanchang, Hupeh, on June 25, 1940, in quest of relief funds, had the following to say:

"....The situation here is quite acute. The Japanese have bombed and burned ruthlessly. Every one of our cities West of the Han River has been burned and bombed. But I will speak for this county alone. Half of this city and the neighboring city of Wu An Yuen have been burned. Business is at a standstill and many people are suffering. Most of the towns in this hsien have been destroyed...."

The object of this wholesale devastation of the countryside is obscure unless it be that the Japanese are under the illusion that such barbarous and inhuman measures will impair Chinese resistance in a material way or compel abject submission of the Chinese populace in the hope that their miseries and hardships might thereby be alleviated. Such wanton and savage measures, in the opinion of the Embassy, are not likely to cow the Chinese people who are a rational and civilized race; on the contrary, they are likely to harden the determination of the Chinese people to eliminate the so-called "New Order" and all that it connotes, a determination that seems to be mounting with the passage of time and with the rising confidence of the Chinese people in their ability to repel Japanese aggression.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson

✓
Enclosure:

1/ Copy of letter.

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

360

EFD:MCL

0141

DECLASSIFIED: E.O. 11652, 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. 601 dated July 17, 1940,
from American Embassy at Chungking on subject of "Con-
ditions in Siangyang-Fancheng Area in Wake of Japanese
Invasion of Early June: Japanese Depredations of the
Countryside".

(C O P Y)

Bethesda Hospital
Siangyang, Hupeh, China

June 12, 1940

American Consul
Kunming, Yunnan

Dear Sir:

As an American citizen, registered at your consulate,
and as superintendent of Bethesda Hospital, Siangyang,
Hupeh, I wish to make the following report of the Japanese
invasion into our district and more particularly in Siang-
yang city itself.

The report I have is that the Japanese crossed the
Han River at Liu Chia Chi, about thirty li from here,
during Friday night, May 31. On June 1 the city was shelled
with small caliber cannon of not more than three inch
caliber and little damage was done and none to foreign
property. About four o'clock in the afternoon some machine
gun firing was heard and some time before five o'clock the
Japanese flag was flying from the West Gate and the
Japanese troops were marching in. My personal estimate is
that there were not over five thousand troops. Other esti-
mates vary from two to three thousand and up to ten thou-
sand, the latter estimate being made by Chinese. They
met with no resistance, whatsoever, as far as we are able
to determine.

Their military police officer, accompanied by one
guard, soon came and I met him at our front gate, where
I was waiting. They were very courteous to both the
Chinese and we foreigners while going over our property
at Bethesda Hospital. They put up a proclamation on
our front gate that our hospital was foreign property
and should be respected. He inquired as to the location
of other foreign property and I offered to escort him to
it, which offer he accepted. I took him to both our
property and that of the Italian Catholic Mission, where
proclamations were also posted.

Occasional Japanese soldiers, to the total of thirteen,
came over our walls, but were all willing to leave when
met by a foreigner, except two who came on Sunday morning
and who were persistent and demanded two coolies, which
was the only Chinese they could speak. When refused they
took a cow to lead out and after some argument I permitted
them, only to be met at the front gate by the Military

Police

0142

DECLASSIFIED: E.O. 11652, 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 -

Police officer, who was coming to pay us another visit. He slapped them, took their names, made them salute and bow to me, and return the cow. It really was an amusing incident. Two others who jumped over the wall, when he was here, were met with the same treatment.

On Sunday morning, June 2, the Japanese began leaving the city. They placed a cannon behind the dyke, above Siangyang, and shelled Fancheng for a couple of hours. The firing was not very heavy and the foreign property was not destroyed, except a slight damage from the splinter of the shell which killed a Chinese woman at the Luthern United Mission Compound.

Before leaving Siangyang they set fire to the city as well as out-lying villages. It is over three-fourths burned. Fancheng was also burned. It is said that the Szechuan soldiers did this burning in Fancheng. Others say it was incendiary shells. It is reported, however, that the people caught two of the Chinese soldiers starting a fire in Fancheng. Siangyang was looted before the burning, as homes that were not burned showed such evidence. People who first returned and the Chinese military completed the job.

We again have Szechuan soldiers, and of them it seems the poorest. The refugee problem will be an acute one. Rice is scarce and the military are looking for it for their own use. In our hospital compound we have been feeding between two and three hundred refugees twice a day.

Leaving here the Japanese went west and we have definite information that they burned Yun Chia Chi and Ting Chia Chi and Nanchang. Wu An Yen (Yen Shan) also has been reported as burned.

The foreigners present in Siangyang and Fancheng during the invasion are all well. Their names, missions and nationalities are:

| | | |
|----------------------|-----------------------------|-----------|
| Anderson, Martha J. | Covenant Missionary Society | American |
| Jones, Clara | Luthern United Mission | " |
| Nelson, C. Barton | Covenant Missionary Society | " |
| Nelson, Mildred G. | " " | " |
| Nordlund, Mildred E. | " " | " |
| Anderson, Oscar E. | " " | Swedish |
| Anderson, Palmer | Luthern United Mission | Canadian |
| Hodnefield, Olive | " " | Norwegian |

Miss Hodnefield was alone in Fancheng at the time.

Very truly yours,

(Signed) C. Barton Nelson

C. BARTON NELSON, M. D.

CBN/MJA
CC American Embassy, Chungking

WOL

0143

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

No. 361.

Chungking, July 17, 1940

Subject: Conditions in Sianyang-Fancheng
Area in Wake of Japanese Invasion
of Early June; Japanese Looting-
tions of the Countryside.

SIR:

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to refer to my despatch no. 388,
July 13, 1940, enclosing a copy of a letter received by
the Embassy from the Reverend Arthur A. Nyhus in which
he comments on various aspects of the Japanese invasion
of south Szechwan and north Szechwan in May and early June
1940, and to enclose further in connection with this
general subject a copy of a letter, dated June 12, 1940,
addressed by Dr. C. Barton Nelson to the American Consul
at Yunnanfu. A copy of Dr. Nelson's letter was received
by the Embassy on July 17, 1940.

Briefly, Dr. Nelson reports that Japanese forces
occupied Sianyang, apparently without Chinese resistance,
on June 1, 1940; that foreigners were treated courteously
by Japanese officers although there was some molestation
by Japanese soldiers; that foreign residents and their
property were not injured; that Japanese forces before
retiring from Sianyang on June 2, 1940 shelled Fancheng
(on the opposite bank of the Han River), indulged in loot-
ing, and set fire to the city, three-fourths of which was
burned; that Fancheng was also burned but that the identity
of the perpetrators was not established; and that the
Japanese burned other cities and towns in the course of
their withdrawal.

The

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

- 2 -

The significant point to be gleaned from these independent accounts, it would seem, is that the Japanese military forces carried out a wide-spread, systematic and pitiless campaign of destruction in the areas through which they passed in the recent surge and counter operations. Another American mission, writing from Kanchow, Kweichow, on June 28, 1940, in regard to relief funds, put the following, to say:

"....the situation here is quite acute. The Japanese have bombed and burned villages. Every one of our cities east of the river has been burned and bombed. I will speak for this county alone. Half of the county and the neighboring city of ... have been burned. Business is at a standstill and the people are suffering. Out of the ... in ... have been destroyed...."

The object of this Japanese devastation of the ... is obscure unless it be that the Japanese are under the illusion that such barbarous and lawless measures will impair Chinese resistance in a material way or compel abject submission of the Chinese populace in the hope that their miseries and hardships will thereby be alleviated. Such notions are mere illusions. In the opinion of the Embassy, are not likely to sway the Chinese people who are a rational and civilized race; on the contrary, they are likely to harden the determination of the Chinese people to eliminate the so-called "New Order" and all that it connotes, a determination that seems to be mounting with the passage of time and with the rising confidence of the Chinese people in their ability to repel Japanese aggression.

Respectfully yours,

Wilson Graham Brown

Enclosure

1/ copy of letter.

Original (by air mail) and
 four copies to the Department
 Copy to Peking
 Copy to Tokyo
 Copy to Yunnanfu
 Copy to Hankow

330

330

330

DECLASSIFIED: E.O. 11652, 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. 691 dated July 17, 1940,
 from American Embassy at Chungking on subject of "Con-
 ditions in Chiangyang-Pascheng Area in wake of Japanese
 invasion of early June: Japanese depredations of the
 Country-side".

(COPY)

Bethesda Hospital
 Chiangyang P. Pascheng, China

June 13, 1940

American Consul
 Chungking, China

Dear Sir,

As an American citizen, registered at your consulate,
 and as superintendent of Bethesda Hospital, Chiangyang,
 Pascheng, I wish to make the following report of the Japanese
 invasion into our district and more particularly in Chiang-
 yang city itself.

The report I have is that the Japanese crossed the
 Han River at Lin Chia Shi, about thirty li from here,
 during Friday night, May 31. On June 1 the city was shelled
 with small caliber cannon of not more than three inch
 caliber and little damage was done and none to foreign
 property. About four o'clock in the afternoon some machine
 gun firing was heard and some time before five o'clock the
 Japanese flag was flying from the West Gate and the
 Japanese troops were marching in. My personal estimate is
 that there were not over five thousand troops. Other esti-
 mates vary from two to three thousand and up to ten thou-
 sand, the latter estimate being made by Chinese. They
 met with no resistance, whatsoever, as far as we are able
 to determine.

Their military police officer, accompanied by one
 guard, soon came and I met him at our front gate, where
 I was waiting. They were very courteous to both the
 Chinese and we foreigners while going over our property
 at Bethesda Hospital. They put up a proclamation on
 our front gate that our hospital was foreign property
 and should be respected. We inquired as to the location
 of other foreign property and I offered to escort him to
 it, which offer he accepted. I took him to both our
 property and that of the Italian Catholic Mission, where
 proclamations were also posted.

Occasional Japanese soldiers, to the total of thirteen,
 came over our walls, but were all willing to leave when
 met by a foreigner, except two who came on Sunday morning
 and who were persistent and demanded two coolies, which
 was the only Chinese they could speak. When refused they
 took a coolie to lead out and after some argument I permitted
 them, only to be met at the front gate by the Military

Police

DECLASSIFIED: E.O. 11652, 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 -

Police officer, who was coming to pay us another visit. He slapped them, took their names, made them salute and bow to me, and return the cow. It really was an amusing incident. Two others who jumped over the wall, when he was here, were met with the same treatment.

On Monday morning, June 8, the Japanese began leaving the city. They placed a cannon behind the dyke, above Liangyan, and shelled Fancheng for a couple of hours. The firing was not very heavy and the foreign property was not destroyed, except a slight damage to the splinter of the wall which killed a Chinese woman at the Lutheran United Mission compound.

Before leaving Liangyan, they set fire to the city as well as out-lying villages. It is over three-fourths burned. Fancheng was also burned. It is said that the Manchurian soldiers did this burning in Fancheng. Others say it was incendiary shells. It is reported, however, that the people caught two of the Chinese soldiers starting a fire in Fancheng. Liangyan was looted before the burning, as houses that were not burned showed such evidence. People who first returned and the Chinese military completed the job.

We again have Manchurian soldiers, and it does seem the poorest. The refugee problem will be an acute one. Rice is scarce and the military are looking for it for their own use. In our hospital compound we have been feeding between two and three hundred refugees twice a day.

Leaving here the Japanese went west and we have definite information that they burned Yun Chia Chi and Ying Chia Chi and Fanchang. Su An Yen (Yen Shan) also has been reported as burned.

The foreigners present in Liangyan and Fancheng during the invasion are all well. Their names, missions and nationalities are:

| | | |
|----------------------|-----------------------------|-----------|
| Anderson, Martha J. | Covenant Missionary Society | American |
| Jones, Clara | Lutheran United Mission | " |
| Nelson, C. Barton | Covenant Missionary Society | " |
| Nelson, Mildred G. | " | " |
| Hordlund, Mildred G. | " | " |
| Anderson, Oscar B. | " | Swedish |
| Anderson, Halmer | Lutheran United Mission | Canadian |
| Edwardsfield, Olive | " | Norwegian |

Miss Edwardsfield was alone in Fancheng at the time.

Very truly yours,

(Signed) C. Barton Nelson

C. Barton Nelson, M. D.

CRB/AJL

CC American Embassy, Chungking

MBL

0147

DECLASSIFIED: E.O. 11652, 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

258

RDS

GRAY

SHANGHAI VIA N.R.

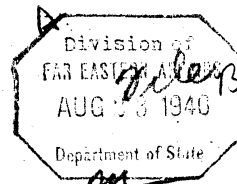
FROM

Dated August 22, 1940

Rec'd 9:18 p.m.

COPIES SENT TO
 O.N.I. AND M.I.D.
 8/23/40 REX

Secretary of State,
 Washington.



821, August 22, 6 p.m.

Reference Department's 316, August 20, 6 p.m. to
 Tokyo.

Consul General Miura has initiated further negotiations with me for closing the July 7th incident and I have hopes that it may yet be closed satisfactorily. This matter was discussed briefly with Admiral Hart when he was here recently and he feels strongly against any action by us not thoroughly warranted by the facts of the incident as established by the Marine investigation. My attitude is that inasmuch as Kuwabata informed Glassford that a settlement on the basis of his letter to Fujita was impossible, any settlement along the lines of the so called Kawabata formula is likewise impossible.

I have mentioned to Consul General Miura the intemperate statements of Rear Admiral Takeda, who is not only a high ranking naval officer of a country with which we are at peace but an associate of Colonel Peck
 in

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

259

-2- #821, August 22, 6 p.m., from Shanghai via N.R.

in the joint defense of the settlement, and other statements made publicly by officers of the Japanese forces (see my 618, July 11, 1 p.m.) and stated that the American side would be thoroughly justified in making a formal protest against the statements made while the matter was still under investigation by the Marine Corps.

As my relations with the Japanese Consul General are very friendly I hope for a satisfactory solution soon.

Sent to the Department and Tokyo. Repeated to Chungking, Peiping and Tsingtao for information of Commander-in-Chief.

BUTRICK

EMB

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

TELEGRAM RECEIVED

JR

PLAIN

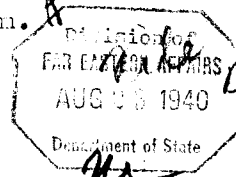
FROM Chungking via N. R.

Dated August 25, 1940

Rec'd 7:06 a.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.
8/23/40 REK



419, August 23, 1 p.m.

793.94

About eighty Japanese bombers operating in three formations attacked the environs of Chungking today shortly before noon. Two of the invading formations dropped bombs in an area near the south bank of the Yangtze downriver from the so-called safety zone starting two or three fires which were quickly extinguished. The third formation concentrated on the Haitangchi area on the south bank of the Yangtze upriver from the safety zone causing apparently minor damage.

It is believed that there is no American-owned property in the bombed areas.

Sent to the Department. Repeated to Peiping, Hankow and Shanghai. Shanghai please air mail to Tokyo. Air mailed to Yunnanfu.

JOHNSON

TFV

F/HG

0150

DECLASSIFIED: E.O. 11652, 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. In the Soviet Ambassador's opinion the difficulties inherent in a permanent conquest of any substantial part of China were beginning to be appreciated by the Japanese and the capacity of the Chinese to resist was greater than most people realized.

fp

For the original paper from which reference is taken

See Tel. 748- 2pm
(Despatch, telegram, instruction, letter, etc.)

Dated Aug. 26, 1940 From Japan (Graw)
To

File No. 701.94/1210

793.94/ 16147

0151

DECLASSIFIED: E.O. 11652, 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

AS

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

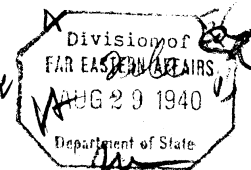
Peiping via N. R.

Dated August 28, 1940

Rec'd 2:05 p.m.

Secretary of State,
 Washington.

COPIES IN PARAPHRASE
 SENT TO C.N.I. AND
 M.P.D. IN CONFIDENCE
 1/30/40



292, August 28, 4 p.m.

There has been a very decided increase during the
 past two weeks in the activities of Chinese military
 forces in Hopei and Shansi. On the night of August 19
 an express train was derailed south of Paoting and a num-
 ber of casualties, including Japanese, were caused by
 Chinese rifle fire into the wreck. On the next night an
 obviously coordinated general attack was made on numerous
 points along the Peiping-Hankow-Chengtai and Tungpu rail-
 ways and very considerable damage was caused. Rails were
 removed from many places on the railways and telegraph
 poles were cut down. Traffic on the Peiping-Hankow line
 between here and Shihchiachuang was interrupted for several
 days and is believed still stopped south of that point.
 The most serious damage was inflicted on the Chengtai
 railway where the blowing up of an important bridge near

Chinghsing

793.94/16143

F/FG

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

AS-2- No.292, August 28, 4 p.m., from Peiping.

Chinghsing and the removal of several miles of track caused interruption of traffic which has not yet been restored. The Tungpu line south of Taiyuan was, and may still be, interrupted by the removal of rails and other damage.

(END OF SECTION ONE).

SMYTHE

TFV

015

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

TELEGRAM RECEIVED

JT

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

PEIPING VIA N.R.

Dated August 28, 1940

Rec'd 3:02 p.m.

Secretary of State,
Washington,

292, August 28, 4 p.m. (SECTION TWO)

The Japanese army press spokesman here, admits that the Chinese operations on the night of August 20 were remarkably well organized. He announced yesterday that Japanese and Chinese troops had been facing each other along the Chengtai railway between Chinghsing and Shou(?) but that the Chinese had withdrawn from the railway yesterday. He admitted the damage to the bridge mentioned above and said that traffic had not yet been restored. He announced that the Chinese forces engaged in the present operations were Eighth Route Army troops but local sources believe that other Chinese troops also participated.

An American businessman from Shihchiachuang who arrived here yesterday reported that large numbers of telegraph poles had been cut down along the railway and that it was common knowledge in Shihchiachuang that Chinese forces were frequently removing stretches of rails from the railways north and south of that as well as along the Chengtai. (END SECTION TWO)

SMYTHE

TOB:NPL

0154

DECLASSIFIED: E.O. 11652, 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

RDS

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

PEIPING VIA N.R.

FROM

Dated August 28, 1940

Rec'd 3:20 p.m.

Secretary of State,
Washington.

292, August 28, 4 p.m. (SECTION THREE)

He said that the present Chinese activity has been far more effective than any previous action and is causing serious concern to the Japanese military. An American missionary from ~~Liaochow~~, southern Shansi, now in Peiping, reports that the removal of rails from the Taiku-Luan light railway by Eighth Route Army forces is constantly disrupting traffic. He adds that the Chinese carry the rails away to their mountain arsenals for the manufacture of rifles.

The general opinion of competent observers is that the Chinese are aware of the fact that the Japanese have withdrawn many troops from Shansi and Hopei during recent months and are seizing the opportunity to attack the thinly held railways. It is believed that these attacks will continue and perhaps increase unless the Japanese considerably reinforce their troops in these areas.

There has been a fair amount of sporadic guerrilla
activity

DECLASSIFIED: E.O. 11652, 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- #292, August 28, 4 p.m. (SECTION THREE) from
Peiping via N.R.

activity in the Peiping region due probably to the fact
that concealment is easy in the present tall Kaoliang
fields.

Sent to the Department. Repeated to Chungking,
Shanghai. Code text by air mail to Tokyo.

(END OF MESSAGE)

SMYTH

TOB

NPL

0156

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

CONFIDENTIAL

(Confidential)

P A R A P H R A S E

A telegram (no. 292) of August 28, 1940, from the American Embassy at Peiping reads substantially as follows:

Activities of Chinese military forces in Shansi and Hopei Provinces have been during the last two weeks very decidedly on the increase. An express train was derailed to the south of Paoting on the night of August 19.

Chinese rifle fire into the wreck caused a number of casualties, some of whom were Japanese. A number of points along the Tungpu and Peiping-Hankow-Chengtai Railways were the targets for an apparently coordinated general attack on the night of August 20 which resulted in a very large amount of damage. Telegraph poles were cut down and in many places rails were taken away from the railways. The Chengtai Railway suffered the most serious damage, several miles of track being removed and an important bridge in the vicinity of Chinghsing being blown up. Traffic which was thereby interrupted has not been restored as yet. There was a several days' interruption in traffic on the Peiping-Hankow line between Peiping and Shihchiachuang. It is believed that there is still no traffic south of Shihchiachuang. Various kinds of damage, including the removal of rails, caused an interruption of traffic south of Taiyuan on the Tungpu Railway. This traffic may still be interrupted. It was admitted by the press

0157

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

CONFIDENTIAL

-2-

press spokesman at Peiping of the Japanese army that the operations carried on by the Chinese on the night of August 20 were organized extraordinarily well. On August 27, this spokesman announced that Chinese and Japanese soldiers had been facing one another between Chinghsing and Shou(?) on the Chengtai Railway but that on August 27 the Chinese troops had retired from the railway. The spokesman acknowledged that the bridge mentioned above had been damaged and he stated that traffic was still interrupted. Although the spokesman said that troops of the Eighth Route Army were the ones taking part in the present operations, it is believed by persons in Peiping that other Chinese troops also took part in the operations.

In Shihchiachuang it was common knowledge that Chinese troops frequently were removing stretches of rails along the Chengtai line as well as from the line north and south of Shihchiachuang, according to an American businessman from the latter place who arrived on August 27 in Peiping. He reported that a great many telegraph poles along the railway had been cut down. This man said further that the Japanese military are seriously disturbed over the present Chinese activity which has been more effective than any action in the past. Traffic is constantly being interrupted on the Taiku-Luan light railway by the removal of rails by troops of the Eighth Route Army, according to

an

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

CONFIDENTIAL

-3-

an American missionary now in Peiping from Liaochow (Southern part of Shansi Province). He states that the Chinese take the rails to their arsenals in the mountains and manufacture rifles out of them. Competent observers in general believe that the Chinese know that many Japanese troops have been withdrawn during the past few months from Hopei and Shansi Provinces and that they are making use of the opportunity to attack the railways which are held by a thin line of troops. Unless Japanese troops in these areas receive a considerable number of reinforcements, these attacks will continue, it is thought, and it may be they will increase. Probably because it is easy to hide in the fields where the kaoliang is now tall there has been a moderate amount of scattered guerilla activity in the Peiping area.

FE:EGC:JPS
8-29

Kc/K
FE

0159

DECLASSIFIED: E.O. 11652, 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 280

HSM

PLAIN

FROM

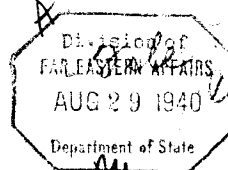
Chungking via N. R.

Dated August 29, 1940

Rec'd 4:38 a. m.

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

Secretary of State,
Washington.



433, August 29, 10 a. m.

Reference Embassy's 294, June 25, 9 a. m.

15983

Following is the text in English translation of a statement issued by the Chinese Foreign Minister on August 28, copy of which was made available by Foreign Office to Embassy today:

"In resisting Japanese aggression it has never been the intention of China to cause any troops to enter any foreign country provided Japanese forces do not in any way make use of its territory against China and will not be ordered to march across the border as long as Japanese troops do not appear in Indochina. It has now, however, been learned that Japan is planning to land troops in Indochina and take other kinds of military action in the French colony with a view to attacking Chinese territory. The Government wishes to declare emphatically that in the event of actual entry of Japanese armed forces in Indochina, under whatever pretext and under whatever conditions, the

Chinese

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

261

hsm -2- No. 433, August 29, 10 a. m., from Chungking

Chinese Government will consider it a direct and immediate menace to the security of China's territory, and will at once adopt measures of self-defense by despatching likewise armed forces to Indochina to deal with the situation. The Chinese Government will be thus absolved from any responsibility for any consequences resulting from the adopting of such necessary measures. On the other, should the French authorities permit or tolerate any Japanese military activities in Indochina, the French Government should not evade responsibility for all consequences, including any loss or damage that might be caused to the life and property of Chinese residents of Indochina."

Sent to the Department, repeated to Peiping, Shanghai. Shanghai please air mail to Tokyo. Air mail to Hanoi, Yunnanfu, Hong Kong.

JOHNSON

McL

0161

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

TELEGRAM RECEIVED

JR

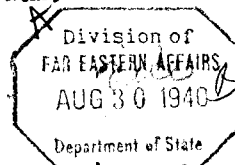
Chungking via N. R.

FROM Dated August 30, 1940

Rec'd 10:15 a.m.

Secretary of State,
 Washington.

COPIES SENT TO
 O.N.I. AND M.I.D.
 8/30/40 REC



437, August 30, 4 p.m.

Reference Embassy's 433, August 29, 10 a.m.

Under the caption "if Japan invades Indochina
 China must take self-defense measures" the independent
 TA KUNG PAO on August 29 devotes a lengthy editorial
 to the subject of Indochina in the light of the Chinese
 Foreign Minister statement. Terming the statement
 "resolute and explicit" the journal declares that it may
 be taken to indicate that the Chinese Government is
 "fully determined and adequately prepared" and that "if
 enemy forces venture to land in Indochina, our troops
 will of necessity enter Indochina and perform duties
 of self-defense". Asserting that Japanese occupation of
 Indochina would gravely endanger the whole South Seas
 area the TA KUNG PAO goes on to say that by utilization
 of Indochina Japan can attack Yunnan, threaten Singapore
 from the rear through Thailand, extend its aggressive
 activities to the Netherlands East Indies and even
 threaten India.

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 O. Gustafson NARS, Date 12-18-75

-2- #437, August 30, 4 p.m., from Chungking.

The article also comments on the economic value of Indochina to Japan, pointing out that Indochina has a yearly production of seven million tons of rice, sixty thousand tons of rubber, two point four million tons of coal as well as considerable production of iron manganese glass cotton corn hemp beans sugar cane et cetera. Japan may place much dependence on Indochina for imports of rice coal salt and iron but Japanese exports to Indochina include no articles of importance, adds the journal.

Reasserting that the objects of Japanese penetration into Indochina are (one) economic aggrandizement, (two) and attack on China (Yunnan) and (three) southward expansion, the TA KUNG PAO concludes that these points "particularly warrant the attention of Great Britain and the United States. As China will not fail to fight a war of self-defense in Indochina, Great Britain, the United States and other powers should not neglect the warnings of the necessity of self-defense".

Sent to the Department, repeated to Peiping, Shanghai. Shanghai please air mail to Tokyo.

JOHNSON

CSB

0163

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



HA
 WIA
 JWB
 PAH

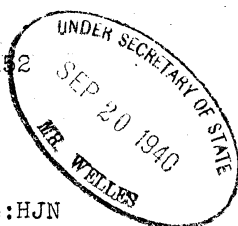
DIVISION OF FAR EASTERN AFFAIRS

September 4, 1940

Mukden's despatch no. 462 of July 18, 1940,
 "Third Anniversary of 'China Incident'".

Consul Langdon, in reporting that the celebration on July 7 in Manchuria of the third anniversary of the outbreak of the present Sino-Japanese hostilities was confined to Japanese, states that until recently it was his opinion that the Chinese population in Manchuria was a negative factor in the political course of the country but that today he is not so certain that the native population is a negative factor and he sees increasing indications of self-assertiveness and active hostility. There is widespread discontent aroused by the Government's various authoritarian measures, which are felt to be enforced in a manner to give the Japanese community first choice of the scanty stocks of goods. The protracted resistance of Nationalist China to Japan has given heart to the Chinese in Manchuria. The Consul cites recent (isolated) incidents indicating opposition by the Chinese population in Manchuria to the existing régime there.

793.94/16132



FE:Coville:HJN

0164

DECLASSIFIED: E.O. 11652, 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. -

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN CONSULATE GENERAL
Mukden, Manchuria, .
July 18, 1940.

SUBJECT: Third Anniversary of "China Incident"

THE HONORABLE

THE SECRETARY OF STATE.

WASHINGTON.

SIR:

I have the honor to enclose a copy of my despatch
No. 462 dated July 18, 1940 to the Embassy, Peiping
entitled "Third Anniversary of 'China Incident'".

Very respectfully yours,

Wm. R. Langdon

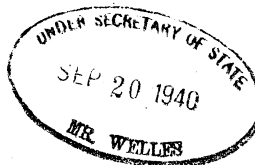
Wm. R. Langdon
American Consul

Enclosure:

Copy of despatch No. 462, as stated above.

In quintuplicate to the Department

800
WRL:fgl



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16152

793.94/16152

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DEPARTMENT OF STATE

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DIVISION OF
COMMUNICATIONS
AND RECORDS

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| Grade | For | Good | In U.S.A. | ✓ |
| Langdon | | ONI | MID | |

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7/4/40

COMMERCIAL AFFAIRS
Department of State

SEP 25 1940

DIVISION OF

0165

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

No. 462

AMERICAN CONSULATE GENERAL,

Mukden, Manchuria, July 18, 1940.

SUBJECT: Third Anniversary of "China Incident"

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peking, China.

Sir:

As of possible interest to the Embassy, I have the honor to report briefly on the celebration here of the third anniversary of the outbreak of Sino-Japanese hostilities and on the attitude of the native population on the occasion.

Summary - The celebrations in cities followed the Japanese pattern and were observed by Japanese only, "Manchukuo" having left the native population alone on the occasion.

The fact of continued resistance of Nationalist China is generally known in Manchuria and is perceptibly stiffening the attitude of the natives and causing them to lose their fear and respect of "Manchukuo". Sustained Chinese resistance and the possibility of Japanese failure may conceivably give the present negative character of the native population in the political course of "Manchukuo" a positive character. Examples of the growing self-assertiveness of natives are cited.

In Mukden, Hsinking and other places with large Japanese communities, the official "Manchukuo" celebrations followed the general pattern in Japan. The ceremonies consisted of services at the local jinja, or shrine of Imperial Japanese ancestors, of parades

to

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

- 2 -

to and obeisances at the local chureito, or Japanese war memorial ("tower of loyal souls"), and of a minute's silence at noon. Participants in these rites were members of the Manchuria Veterans Association (Japanese), of the Concordia Society (mostly Japanese), of the Manchuria Volunteer Service Corps (Japanese), and of the Manchuria Women's National Defense Association (Japanese). Quite unlike itself, "Manchukuo" this year did not require school-children and other organized elements of the Chinese population to take part in the parades and solemnities, but generally left the native community alone. Other marks of respect for the day were the closing of dance halls (all Japanese enterprises) for one day and of cinemas at 8:30 P.M., and the prohibition of music playing in cafes, tea-houses, and restaurants.

There is reason to believe that the politically conscious classes of natives celebrated the 7th of July in quite another way from that desired by their masters, namely, in secret pride and exultation. The day established a fact which all the news and propaganda of preceding months in their Japanese-edited press could not controvert: that the Chinese are still fighting after three years. Acquaintances working with the Chinese community and other qualified observers have noticed in the past few months, probably because of sustained Chinese resistance and of hardships to Japanese as well as themselves arising therefrom, a widening political consciousness and a shade of optimism for the future. This optimism, these acquaintances say, has wrought a perceptible stiffening in the native attitude.

The

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

- 3 -

The cheering reminder of continuing Chinese resistance comes at a time of widespread discontent. The farmers are disturbed by the succession of measures directed at or affecting them, collectivization, forced sale of their crop to Japanese monopoly officials, restricted rights over their livestock, dispossession of their land to make way for Japanese colonists, et cetera, and by the scarcity and high prices of things they need. The townspeople too are growing uneasy over the progressively acute shortages of flour, rice, grain, salt, bean oil, coal, textiles, et cetera, and the unheard of prices of necessities which they can freely buy. With this uneasiness is mixed resentment at the discrimination shown against them in favor of the Japanese in the administration of food and necessities control. They feel with good reason that such control is intended not so much to ensure "smooth distribution, fair prices and stabilization of the people's livelihood", to use a "Manchukuo" cliché, as to give the Japanese community first pick of the scanty stocks. In coal sales, for instance, the retail monopoly makes no effort to conceal this discrimination, publicly announcing that Japanese, Koreans, and Europeans will be allowed three bags monthly from April to September and the Chinese no coal at all.

Until recently it was my opinion that the Chinese population of Manchuria was a negative factor in the political course of "Manchukuo". This was because living conditions were relatively satisfactory for the masses and because the masses could not hope
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 change in their political state, either from outside developments or from their own initiative. Today I am not so certain that the native population is a negative factor. The former mild ridicule and shoulder-shrugging attitude toward "Manchukuo" is changing to one of despair mingled with hostility. "Manchukuo", the natives feel, personified by Japanese soldiers, Japanese police, Japanese officials, Japanese bosses, bodes-only fruitless toil, want, dispossession. And with this feeling there is increasing nostalgia for Chinese rule. In such a state of mind, continued Chinese Nationalist resistance, interpreted locally as Chinese success, begins to be of direct and personal interest and may conceivably give the Chinese population of Manchuria a positive political character.

Recent isolated incidents coming to my attention may be indicative of a new self-assertiveness in the natives and a growing disrespect for "Manchukuo". The Consul General at Harbin reported on July 10* that at Peian and Kannan in North Manchuria in June there had been riots involving native levies when food rationing had been attempted, resulting at Peian in the slaying of seven Japanese officials and at least twenty other Japanese and at Kannan in the death of an undetermined number of Japanese. Then there was the sacking on April 18 of the Japanese colonist village of Mizubo, near the Japanese divisional headquarters of Chiamussu, and the slaying of fourteen and wounding of five Japanese settlers (Japanese

* Despatch No. 226, July 10, 1940 "Manchurian Troops Involved in Rioting Over Food Rationing".

Overseas

0165

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

- 5 -

Overseas Ministry statement, June 14, 1940) by "bandits" - the news item was suppressed altogether in Manchuria and held back for two months from Japan. If theft of settlers' provisions was the motive as alleged, why was there such slaughter? Was it not more likely an expression of the feeling of the natives of the area toward these alien settlers on their land?

Another illustration of a changing attitude may be mentioned. An American missionary was coming into Mukden from a nearby station on a bus loaded to capacity. Seeing him, a Chinese "Manchukuo" army officer of low commissioned rank asked him what nationality he was. American, the missionary replied. "America, eh! America is the Number One country and our friend", commented the officer in a loud voice. "I am surprised to hear you say that", went on the missionary, "you being a Manchukuo officer and America not having recognized Manchukuo". "Manchukuo rubbish", returned the officer still in a commanding voice, "I am a Chinese and Manchukuo will be all over in three or four years". "Hush", cautioned the missionary, "you will be getting yourself into trouble". Here the officer carelessly but confidently took in the whole company with a wave of his hand and declared loudly, "How can I get into trouble? They're all Chinese and think the way I do". The missionary states that such outspokenness in public, which would not have been risked before, is not uncommon nowadays.

Very respectfully yours,

Wm. R. Langdon
 American Consul

Five

0170

DECLASSIFIED: E.O. 11652, 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 -

Five copies to the Department by despatch No. -
dated July 18, 1940;
Copy to Embassy, Chungking;
Copy to Embassy, Tokyo;
Copy to Consulate General, Harbin;
Copy to Consulate, Dairen.

800
WRL:fgl

A true copy of
the signed origi-
nal.



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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

232

HSM

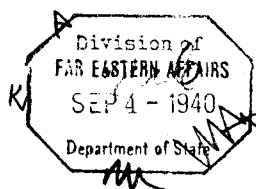
This telegram must be **FROM**
closely paraphrased
before being communi-
cated to anyone. (Br.)

Peiping via N. R.

Dated September 3, 1940

Rec'd 9:45 a. m.

Secretary of State,
Washington.



302, September 3, 4 p. m.

Peiping's 301, September 3, 3 p. m.

There follows a summary of impressions gained in interviews recently held by a Chinese, in the informant's confidence, with several of the most influential Japanese leaders, including Prince Konoye, in Tokyo. Informant believes that the value of these impressions lies in their authentic reflection of present trends in Japanese official thought. Informant assumes that there will be no change in Chinese ability or determination to continue the struggle for national existence indefinitely and that the question of when and how hostilities can be ended, depends primarily on the attitude of Japanese leaders influenced, of course, by public opinion which they cannot completely mislead or ignore and on world events in which Japan is inextricably involved: (END SECTION ONE)

SMYTH

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793.94/16153

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note
794.00
711.94
793.5151

0172

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

263

TELEGRAM RECEIVED

HSM

This telegram must be
closely paraphrased
before being communi-
cated to anyone. (Br.)

FROM

Peiping via N. R.

Dated September 3, 1940

Rec'd 10:15 a. m.

Secretary of State,

Washington.

302, September 3, 4 p. m. (SECTION TWO)

(BEGIN SUMMARY) The first impression was that Prince Konoye is almost wholly preoccupied with internal problems caused chiefly by the war in China and which cannot be settled adequately apart from it. In order to carry on the military adventure in China there must be a more thorough ^{naturalization} naturalization of material resources together with the stamping out of all organized or articulate opposition. It is significant that in the Russian war of 1904-5 the entire Japanese nation was spontaneously with the Government and no such dictatorial methods were necessary for a cause in which everyone believed.

Although the advocates of closer alliances with the Axis powers are extremely vocal the impression prevails that they are not yet certain of their contention and are genuinely worried over the dangers in this policy. It is not clear that either Germany or Italy could render much military or economic assistance and the consequences from

the

0173

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

264

hsm -2- No. 302, September 3, 4 p. m. (Section 2) from
Peiping

the Soviets and the Anglo-Saxon powers might be
disastrous. This sort of pro-Axis propaganda may,
therefore, be considered mainly a stratagem to circum-
vent the United States and placate Russia. (END SECTION
TWO)

SMYTH

TFV

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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

265

TELEGRAM RECEIVED

HSM

This telegram must be
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before being communi-
cated to anyone. (Br.)

FROM Peiping via N. R.

Dated September 3, 1940

Rec'd 8:50 a. m.

Secretary of State,
Washington.

302, September 3, 4 p. m. (SECTION THREE)

The key to current Japanese policy is probably south
or oceanic expansion; the intention to undertake this
can be taken for granted and there is difference of
opinion only as regards procedure. It is generally
recognized, however, that this cannot be started until
the China war is wound up; this explains the desperate
eagerness of Japan to find a way to end the war through
bombings of Chungking, the closure of the supply routes
through British and French territories and several minor
military offensives. The Japanese lack of political
sagacity or of common human sensitivities and humor is
revealed in the efforts simultaneously to start negotia-
tions with Chiang Kai-shek unmindful of their contemptu-
ous denunciations of Chiang a short time ago. They are
even disposed to conclude hostilities on Chinese terms
on the sole condition that China will "cooperate" with
them

0175

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

288

hsm -2- No. 302, September 3, 4 p.m. (Section 3) from Peiping

them in their south expansion. The advantages of this to Japan would be (a) proof to their own nationals of a restoration of friendly relations with China, this being the ostensible reason for the invasion of China; (b) Chinese manpower and raw materials; and (c) obtaining the good will, or at least neutralizing opposition, among the millions of overseas Chinese in all the regions coveted by Japan who form a very influential part of the population and who in general are notoriously patriotic. (Informant comments that the supposition that Chiang Kai-shek would be a party to such an agreement need not even be considered.) END OF SUMMARY. (END SECTION THREE)

SMYTH

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

TELEGRAM RECEIVED

267

RDS

This telegram must be
closely paraphrased be-
fore being communicated **FROM**
to anyone. (Br.)

PEIPING VIA N.R.

Dated September 3, 1940

Rec'd 7:30 p.m.

Secretary of State,
Washington.

302, September 3, 4 p.m. (SECTION FOUR)

Informant comments that Japanese propaganda in regard to a Chinese "Communist" menace is insipid and unconvincing and states that, despite points of friction which undoubtedly remain both in Communist and Kuomintang headquarters, the controlling body of the Communists recently passed strong resolutions to maintain the united front against Japanese aggression, which should leave no doubt as to their genuine and wholehearted allegiance to the national cause. (For concrete proof of recent effective "Communist" military action against the Japanese see Peiping's 292, August 28, 4 p.m.). Informant states that Americans to whom Communism means Soviet Russia or Bolshevism should guard against thus interpreting Chinese Communism. He believes that left to themselves the Chinese can be trusted to handle the question as merely a matter of internal politics.

Informant believes that Japanese-American relations are causing serious concern in Japan; that the traditional friendly sentiment lingers but is weakening under

NEW

0177

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

268

RDS -2- #302, September 3, 4 p.m. (SECTION FOUR) from
Peiping via N.R.

new tensions. He believes, however, that the desire to regain American good will is still strong and sincere even apart from urgently practical exigence. He is of the opinion that there has never been any likelihood that Japan would fight the Communist Government at least until greatly strengthened by conquest on the Asiatic mainland or the Pacific islands. He feels that the Japanese are effectively using the bogie of war to play upon the known American abhorrence of war.

(END OF SECTION FOUR)

SMYTH

EMB

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

TELEGRAM RECEIVED

268

RDS

This telegram must be
closely paraphrased be-
fore being communicated **FROM**
to anyone. (Br.)

PEIPING VIA N.R.

Dated September 3, 1940

Rec'd 9:50 p.m.

Secretary of State,
Washington.

302, September 3, 4 p.m. (SECTION FIVE)

The informant believes that Japanese economic conditions are naturally becoming worse but that by mobilizing all resources they could furnish their people food and other essentials and with the aid of a managed currency in Japan and the occupied regions in China carry on for some time still. However, he believes that this is conditioned upon the maintenance of popular morale or the coercion of the Japanese people into passive endurance. He believes that Japanese anxieties in the economic aspect of the war in China seem at present to be the diminishing gold reserve, import of war materials (especially high grade machine tools or replacements for heavy and aviation fuel)--with the lure in the offering of their profitable export trade while the war in Europe continues if only they could extricate themselves from the mess in China.

The informant believes that the American action in stopping the sale of aviation gasoline and some other

war

0179

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

270

-2- #302, September 3, 4 p.m. (SECTION FIVE) from
Peiping via N.R.

war supplies has an immediate and important benefit in hastening the end of the calamitous invasion of China and that this benefit accrues to Japan perhaps even more than to China. He earnestly hopes that this embargo will be continued and intensified.

Informant considers it noteworthy that the Japanese have prohibited further capital investment in North China which he feels indicates either a shortage of capital or anxiety in regard to (?) such expenditures or perhaps both.

(END SECTION FIVE)

SMYTH

EMB

0 1 8 1

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

TELEGRAM RECEIVED

RDS

This telegram must be
closely paraphrased be-
fore being communicated **FROM**
to anyone. (Br.)

PEIPING VIA N.R.

Dated September 3, 1940

Rec'd 8:35 p.m.

Secretary of State,

Washington.

302, September 3, 4 p.m. (SECTION SIX)

He says that in any case the grandiose paper pro-
jects which have filled the Japanese-controlled press
are in (?). He also comments on the severe restrictions
on Japanese imports into North China which he believes
have been made unprofitable by their efforts at whole-
sale currency manipulation.

Informant adds that a trusted representative of
General Chiang Kai Shek now in Peiping recently called
in Nanking on Wang Ching Wei whom he found very discon-
solate and on General Itagaki. This man reports that
Itagaki in giving reasons why the China war must be
concluded admitted that Japanese casualties and expendi-
tures were enormous. Informant comments that on pre-
vious visits to the occupied areas this representative
proceeded cautiously and in fear and that the fact that
he is now moving boldly about with the full knowledge of
the Japanese military indicates how anxious the Japanese
are to keep open all way of possible contact with Chiang
Kai Shek. (END OF MESSAGE)

Sent to the Department. Repeated to Chungking.

EMB

SMYTH

0181

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

PREPARING OFFICE
WILL INDICATE WHETHER
Collect ☐ 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
PARTIAL
PLAIN

Washington, NAVAL RADIO

September 5, 1940

AMEMBASSY,

PEIPING (CHINA).

Your 302, September 3, 4 p.m.

The Department has read with interest your telegram
under reference and assumes that you have transmitted
a copy of the code text to the Embassy at Tokyo.

Sent to Peiping only.

793.94/16153

Hall
Start

793.94/16153

GA
FE:GA:MHP

PA/H

Enciphered by _____

Sent by operator _____ M., _____, 19____

F/FG

0182

DECLASSIFIED: E.O. 11652, 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

TO BE TRANSMITTED
☒ CONFIDENTIAL CODE
☐ NONCONFIDENTIAL CODE
PARTIAL
PLAIN

TELEGRAM SENT

Collect { Full rate
Day letter
Night letter

Charge Department: Full rate
Day letter
Night letter

Charge to \$

1940 SEP 11 PM 3 37

Washington, NAVAL RADIO

September 10, 1940

DIVISION OF
COMMUNICATIONS
AND RECORDS

AMEMBASSY,

PEIPING (CHINA).

Your 302, September 3, 4 p.m.

The Department assumes that you have forwarded
to Tokyo by mail a copy of the code text of your
telegram in question.

SA
FE:GA:OJL

FE

PA/H

Enciphered by _____

Sent by operator _____ M., _____, 19____

793.94/10153

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

FROM

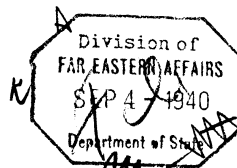
AS
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (A)

Peiping via N. R.

Dated September 3, 1940

Rec'd 8:50 a.m.

Secretary of State,
Washington.



301, September 3, 3 p.m.

Informant cited in Peiping's 302, September 3,
4 p.m. is Dr. Stuart, President of Yen Ching, who has
exceptionally good sources of information both Chinese
and Japanese, is a thoughtful observer of conditions in
the Far East. The telegram mentioned summarizes a letter
dated August 30 from Dr. Stuart to his board of trustees;
copies thereof were forwarded to the Department, Chung-
king and Tokyo by pouch leaving here August 25.

Repeated to Chungking.

SMYTH

WSB

OCT 24 1941

FILE

793.94 / 16154

F/RG

793.94

0184

DECLASSIFIED: E.O. 11652, 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 Military situation for month of May, 1940.

793.94/16155

For the original paper from which reference is taken

See #146 to Embassy
(Despatch, telegram, instruction, letter, etc.)

Dated June 11, 1940 From Chefoo (Roberts)
To

File No. 893.00 P.R. Chefoo/158

16155

0185

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) Military Situation:

79201
While there was considerable movement of Japanese troops through Chefoo with detachments moving east and west there was little change in the military situation. Travelers report encountering Japanese army forces at various points along the main highways. From Laiyang Hsien came reports of a clash between the Japanese-paid troops and the guerrillas which led to the burning of houses and the inflicting of a heavy fine on the entire village.

In distinguishing between guerrilla territory and that occupied by the Japanese for the shipment of raw materials to be manufactured into export products, the Japanese Special Military Mission confesses that Fushan, Luping, Weihaiwei and Lungkow are the only towns securely enough under Japanese control to serve as destinations for the merchandise. The Japanese refuse to issue shipping

- 6 -

shipping permits to other points in this Consular District, claiming there is danger that the merchandise will fall into guerrilla hands.

018F

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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 Political-military relations between Japanese and Chinese,
May, 1940: developments in summary.

793.94/16156

For the original paper from which reference is taken

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

Dated July 9, 1940 From } Canton (Myers)
To }

File No. 893.00 P.R. Canton/148

16/56

DECLASSIFIED: E.O. 11652, 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. Relations with Other Countries:

1. Japan.

(a) Hostilities in the Canton Area:

143.14
On or about May 10 the Japanese began an offensive against Chinese forces concentrated about sixty miles northeast of Canton in rugged Tsungfa district. Fairly serious fighting began in this area on May 25, during which the Japanese claim to have entrapped and defeated with heavy losses considerable bodies of Chinese troops. During the

*Despatch to Department no. 176 of May 31, 1940; copies to Peiping and 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

- 3 -

the latter half of the month hostilities also occurred southeast of Tsungfa in Tsengshing (增城) district and north of Canton in Fahsien (花縣) district.

Chinese reports state that portions of the Japanese 38th and 104th divisions participated in the Tsungfa drive, and that early in June the Japanese withdrew from Leunghow (良口) and several other points in the northern part of the district. As the successive Japanese reports disclosed little change in the locale of the fighting, considerable doubt is thrown on Japanese claims that they had repeatedly routed the Chinese forces.

(b) Operations on Hainan Island:

According to various reports the Japanese reinforced their units on Hainan during May, and their land and air forces there engaged in an attempt to stamp out resistance in the interior of the island.

(c) Japanese Aerial Activities:

Japanese planes made unusually frequent reconnaissance flights in the vicinity of Canton and throughout the districts of southwestern Kwangtung. They also carried out numerous bombing operations along highways in Kwangsi used for the transport from French Indo-China of military supplies and along the route between Haichow and the Hong Kong border. Both Chinese and Japanese reports indicate that in the course of these raids considerable amounts of materiel were destroyed and a number of civilian casualties inflicted.

Among the towns bombed by the Japanese during May were Shikwan (韶關), Haichow (惠州), Loklo (博羅), and Lingshan (靈山) in Kwangtung and Lungchow (龍州) and Liuchow (柳州) in Kwangsi.

(d) Meeting

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

- 4 -

(d) Meeting in Canton of Japanese Naval Commanders:

It was learned from a reliable source that Vice-Admirals Shiro Takasu and Shigetara Shimada, Commanders-in-Chief respectively of Japanese naval forces in south and central China, met in Canton on or about May 26. It is not known what they discussed at their meeting.

(e) Celebration of Japanese Navy Day:

On May 27, thirty-fifth anniversary of the Japanese naval victory over the Russian fleet near the Straits of Tsushima, Japanese planes at Canton dropped quantities of propaganda leaflets of a pan-Asiatic character. One of these leaflets states that the Japanese victory was proof that it is possible for Orientals to defeat Occidentals, and another that the Japanese navy guards China against the cruel aggression of the white race.

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

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT Military-political developments for June, 1940.

For the original paper from which reference is taken

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

Dated July 9, 1940 ✓ From Canton (Myers)
 To _____

File No. 893.00 P.R. Canton/149

FRG

733.94 / 16157

16157

DECLASSIFIED: E.O. 11652, 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 -

America was becoming more favorable to readjustment of Japanese-American relations and that such readjustment was rendered necessary by the situation in which the United States has been placed by the turn of events in Europe.

1. Relations with Other Countries:

1. Japan.

(a) Military Operations in Tsungfa:

793.94
 During the first half of the month the Japanese forces in Tsungfa district continued operations begun there during May. About June 15 they withdrew from the northern part of the district, and a considerable portion of the forces returned to Canton. It is believed that both sides suffered substantial casualties in the course of these operations.

(b) Japanese Occupation of Chinese Territory Along the Hong Kong Border:

In the early morning of June 22 several Japanese units from Canton landed near Moon, northwest of Hong Kong. Shumchun (深圳) was reported entered late the same day, and by the end of the month the Japanese had completed occupation of the Chinese territory along the Hong Kong border, thereby severing supply routes between Hong Kong and Chinese-occupied territory. These operations were apparently timed so as to coincide with Japanese representations to the British Government with regard to the movement via Burma and Hong Kong of military supplies into unoccupied territory.

The Japanese reported late in June and early in July that some of their troops had returned to Canton from the

border

Telegram to the Department no. 59 of June 27, 4 p.m. repeated to Peiping and Chungking.

Telegram to Department no. 58 of June 23, 5 p.m. and no. 62 of July 2, 7 p.m. repeated to Peiping, Chungking and Hong Kong.

DECLASSIFIED: E.O. 11652, 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 -

border area.

(c) Japanese Occupation of Chinese Territory Near
 Frontier of French Indo-China:

According to press reports Japanese forces, which earlier in the month had occupied a number of towns southwest of Nanning, on June 17 began moving in the direction of Chennanku at the French Indo-China border. They occupied that town on June 29, and the strategically important town of Lungchow several days later.

These operations were allegedly undertaken for the purpose of capturing or destroying supplies stated to have been rushed into Kwangsi from French Indo-China, and in order to make sure that further supplies should not be taken over the border. However, Japanese troops did not extend their operations to the Tsingsi (靖西) route, to the northwest of Lungchow, over which has passed a large part of the supplies which have entered Kwangsi from French Indo-China in recent months.

It is believed that during the month there was no substantial increase in the number of Japanese troops stationed in Kwangsi province. It might be mentioned that these troops are based on Nanning and that supplies are still being transported by trucks which move in fleets between Yanchow (钦州), at the sea, and Nanning. Construction of the light railway between the two towns, it is understood, has not been completed because of frequent guerrilla raids. (See Political Report for April, 1940).

it

*Telegram to Department no. 66 of June 28, 7 p.m. repeated to Peking and Chungking.

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

- 5 -

It has been learned from a reliable source that the Japanese have greatly enlarged the airfield at Nanning.

(d) Japanese Aerial Activities:

Japanese planes cooperated with land forces and were reported to have bombed the routes, in Chinese occupied territory, over which supplies are alleged to have passed from Hong Kong, French Indo-China and Kwangchowwan.

(e) Guerrilla Forces and Puppet Troops:

It is reported that changes have been made in the organization of guerrilla areas of Kwangtung and that Chinese guerrilla forces in the province have been assigned new commanders. According to reliable information, during June substantial bodies of puppet troops in the Sunwui-Hongmoon (新會江門) area revolted and joined the guerrillas.

(f) Mine-Sweeping in the Pearl River:

According to Japanese reports, eighty-nine mines were discovered in and removed from the waters of the Pearl river during the six months ended June 30.

0194

DECLASSIFIED: E.O. 11652, 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 conflict.

Resume of - and the possibilities of its settlement.
It is stated that Japanese belief of settling the
conflict in China is not well founded. The Chinese
have even chances of outlasting the Japanese in
the conflict.

jb

793.94/16153

For the original paper from which reference is taken

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

Dated May 24, 1940 From State Department PA/H
To (Hornbeck)

File No. SEE 711.94/1669

16153

DECLASSIFIED: E.O. 11652, 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 A confidential report of doubtful reliability
declared that at an imperial conference
June 8 it was decided to declare war on
China within a month.

aa

793.94 / 10159

For the original paper from which reference is taken

See tel # 522, 4 p.m.
(Despatch, telegram, instruction, letter, etc.)

Dated June 14, 1940 From Shanghai (Butrick)
To _____

File No. 893.102/ 94

16159

DECLASSIFIED: E.O. 11652, 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 Military-political relations: June, 1940.

For the original paper from which reference is taken

See #179
(Despatch, telegram, instruction, letter, etc.)

Dated July 13, 1940 From Hankow (Spiker)
To

File No. 893.00 P.R. Hankow/156

FRG

793.94/16160

/6/60

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

Political report
 June 1940
 Hankow, China

-4-

II. Relations with Other Countries:

1. Japan:

a. Drive on Shasi and Ichang:

The Japanese recovered at slight cost to themselves the prestige which they lost through their unsuccessful campaign of last month. Starting on May 31, they crossed the Han River below Hsiangyang (襄陽) and by June 2, claimed to have captured that strategically important town. This particular column then proceeded west to Nanchang (南漳) where it turned south for a rapid advance along the edge of the West Hsueh Mountains.

A second column crossed the Han at Ichang (宜昌) and, in parallel advance with the other force, drove south with notable speed. Neither of these two bodies appeared to attempt to hold the towns through which they passed, until they reached Jingmen (荊門) and other points along the Chungsiang-Ichang highway. Ichang was captured by these detachments on the evening of June 13.

From the vicinity of Shayang (沙洋) and from Yokiakou (岳家口), both on the Han River, two columns advanced on Shasi, which was taken on June 8. The detachment originating in Yokiakou was a unit of the Japanese naval landing force.

The initial Japanese force employed in this offensive was reported to be about 40,000, but was subsequently reinforced. It is estimated that

about

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

Political report
 June 1940
 Hankow, China

-5-

about 15,000 Japanese reinforcements passed through Hukou during June.

There is little doubt that the Chinese had foreknowledge of the Japanese June offensive. Although they had heavy concentrations in the districts west of the Han River (the Japanese estimated 400,000 men), and had during the past year and one half repeatedly thwarted Japanese attempts to drive westward across the river, the Chinese apparently chose not to contest this move of the Japanese.

The Chinese decision not to defend Hsai was of long standing and was probably based upon the Chinese conviction that they are unable to combat Japanese mechanized forces on flat terrain. The Japanese therefore marched to Hsai, several sources declare, without so much as seeing a Chinese soldier. Why the Chinese on favorable terrain did not contest the Japanese advance south and west from Hsiangyang and Ichang to Ichang is difficult to explain save on the grounds of intricate political design, collapse of morale, exceptional incompetence or treachery. It is recognized that the fundamental strategy of the Chinese is to yield territory to conserve strength, but not so cheaply as Ichang was given away. It was not until after the Japanese had captured this important Yangtze port that the Chinese opened serious counter-attacks.

b. Casualties:

Casualties were believed to have been light on both sides, despite estimates of 25,000 Japanese

wounded

0199

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

Political report
 June 1940
 Hankow, China

-6-

wounded having passed through Wuhan during June. The Japanese claimed 20,000 Chinese killed during June.

Disease, principally summer maladies, is declared to have exacted a considerable toll from the Japanese and must have caused the Chinese fully as many losses, for while the Chinese soldier is acclimated to this environment, the Chinese army medical service is greatly inferior to that of the Japanese.

Loss of equipment on both sides is believed to have been comparatively slight.

c. Japanese Naval Operations:

Beyond dispatching a naval landing party from Yokohama to participate in the capture of Shasi and engaging in aerial operations, the Japanese Navy did not participate in the offensive on Shasi and Ichang. Naval vessels did not attempt to advance up the Yangtze.

d. Aerial Operations:

The Japanese Navy and army air forces conducted intensive aerial bombardments of Chungking, Ichang, Shasi and other western towns from bases in and near Wuhan. The forthright Naval spokesman and Resident Naval Officer at Hankow, Commander M. Grino, is quoted by the press as having declared on June 5, that the full power of the Japanese air force would be directed at breaking Chinese fighting spirit and that it was therefore inadequate to limit operations to military objectives.

Greatly

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

Political report
 June 1940
 Hankow, China

-7-

Greatly reduced aerial activity from the Japanese naval air field at Hankow during the last days of June lent support to statements that naval aircraft in this area, totalling 87, mostly bombers, were from June 24 transferred to Hainan.

The Chinese air force was comparatively inactive save for raids on Ichang on June 23, and 30, and possibly on Chasi. Information from the latter port is incomplete.

e. Japanese Disagreement over Policy:

There is reason to suppose that Tokyo and the field commanders here did not see eye to eye on a policy for Central China.* It was suggested that the Home Government desired the withdrawal of most if not all Japanese troops from Central China in preparation for southward expansion. The commanders in this area and Lieutenant General Itagaki, are said to have opposed this proposal. The June offensive and the continued hold on newly acquired territory is an earnest of their intentions.

The Consulate General passed on during June persistent reports that the Japanese intended to relinquish their positions west of the Han River. These reports are believed to have been authentic and to have reflected Japanese uncertainty during

several

*Hankow's despatch No. 79 to the Embassy (no. 168 to the Department) June 29, 1940, Survey of Military and Political Situation in Central China During the First Half of 1940, pages 6-7.

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

Political report
 June 1940
 Hankow, China

-8-

several periods as to whether or not they would be able to maintain their gains. The large Chinese concentrations on the Japanese flanks and rear failed, however, to develop sufficient force to dislodge the Japanese.

III. INTERNAL POLITICAL ACTIVITIES

Upon the orders of the Army Special Service Section there was established on June 3, a so-called Republican Party. The President of the new organization is the Governor of Hupeh Province, Ho Fei-jung 何佩瑤.

The initial manoeuvres to form the party were made in February; but inauguration was delayed until this month due to a desire not to produce an impression of sectionalism during the birth and early infancy of Mr. Wang Ching-wei's "Central Government".

The function of the Republican Party will be to offset in this region Hanking's "Orthodox Kuomintang" and probably to serve as a representative "people's party" for the Middle Yangtze area from which delegates can be chosen to a "truly representative Government" at Nanking.

The Republican Party has, of course, no real power. It follows the general pattern of North China's Hsin Min Hui.

0202

DECLASSIFIED: E.O. 11652, 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

Attitude of the Chinese toward ceasing of hostilities
with the Japanese since the closing of the Burma road by
Great Britain.

793.94/18161

For the original paper from which reference is taken

See Tel#43 4 p.m.
(Despatch, telegram, instruction, letter, etc.)

Dated July 29, 1940 ~~From~~ To Consultation Meeting
Amelgation-Habana

File No. 740.0011 EUROPEAN WAR 1939 / 4995

DECLASSIFIED: E.O. 11652, 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

HSM FROM Kunming via Chungking & N.R.
 This telegram must be Dated September 4, 1940
 closely paraphrased
 before being communi- Rec'd 9:50 a. m., 6th
 cated to anyone. (Br.)

Secretary of State,
 Washington.

September 4, 3 p. m.

One. On my arrival at Laokay on August 30 French authorities there informed me that the Chinese military under Chungking orders had recently reinforced dynamite charges on Chinese side of Hokow bridge with detonators placed directly under the rails, making passage of loaded cars extremely dangerous. Railway would not push four loaded cars containing supplies for U.S.S. TUTUILA and American Consulate across bridge; one other carload of small cases was transferred by coolies. Chinese authorities at Hokow, however, decried danger of mines and they are pushing empty cars across bridge. French authorities are endeavoring to secure removal of contact mechanism to permit exchange of rolling stock and transfer of these American supplies.

Two. French railway inspectors along line in Yunnan informed me that the Chinese military are systematically mining bridges and tunnels for a distance of about 150 kilometers

793.94/16162

F/FG

793.94
 893.77
 811.302
 991#2

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

hsm -2- September 4, 3 p. m., from Kunming

kilometers beginning at the border. Bamboo dynamite racks hanging from piers on Lace Bridge at kilometer 83 were clearly visible, and I observed a Chinese mine crew at Pochai equipped for placing loads on that bridge. Railway officials were greatly alarmed, fearing inexperienced mining as well as possible destruction of bridges.

Three. China National Aviation plane en route to Hanoi from Kunming today turned back without landing upon orders from Hong Kong, although Hanoi reported situation there quiet.

Sent to the Department. Repeated to Peiping.

UNSIGNED

TFV
DDM

0205

DECLASSIFIED: E.O. 11652, 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 Increased Chinese military activity: With reference to-,
Consulate at Tientsin reports such activity in Shantung is
on greater scale than at any time since 1938; that inter-
ference with railways is frequent and that Japanese ef-
forts to raise local levies for "bandit suppression" have
proved disappointing. Also, military spokesman at Peiping
attributes the blowing up of tracks of Peiping-Tientsin, near
Langfang, to guerrillas.

For the original paper from which reference is taken

See Tel #308; 3pm
(Despatch, telegram, instruction, letter, etc.)

Dated Sept 5, 1940 From China (Smyth)
To

File No. 893.77/3290

793.94/16163

16163

0206

DECLASSIFIED: E.O. 11652, 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

RDS

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

YUNNANFU VIA CHUNGKING & N.R.

Dated September 6, 1940

Rec'd 2:50 p.m., 7th

Secretary of State,
Washington.

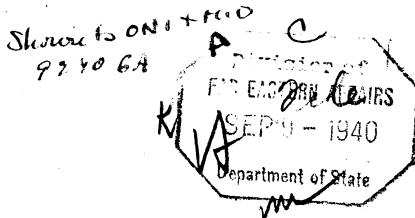
September 6, 2 p.m.

French railway officials state that all freight cars at Lao^{Key}(?), 78 in number, were on September 4 sent to Yunnanfu and approximately same number at Hokow were sent into Indo-China. Many French families in Yunnanfu are preparing to evacuate to Indo-China should that government accede to Japanese demands in view of possible feeling here.

Local aviation adviser states one version of present military arrangement with Chungking to be a defense army of 250,000 troops, all Yunnanese, the Central Government to furnish airplanes, artillery and heavy equipment. Railway official states that recent troop movements southward via railway not important, something over 3000 having left here within past 10 days; (?) reports having seen three detachments of about 8,000 each going eastward on (?)yang highway a few days ago. Yunnanfu is quiet although filled with rumors.

In a private interview yesterday General Lu Han

appeared



793.94/16164

F/FG

793.94
note
393.5115
7519.94

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- September 6, 2 p.m., from Yunnanfu via Chungking & N.

appeared pessimistic of Indo-China's power to resist Japanese successfully, believing Japan's hesitation to take direct action to be due more to diplomatic causes, including importantly American warnings, than to military insufficiency. He said confidentially that Chinese forces (?) march in case of a Japanese invasion of Indo-China rather than await an attack on Yunnanfu, but he had no knowledge whether the French would welcome such support in their own territory".

Sent to the Department, repeated to Peiping.

UNSIGNED

EMB

Repetition requested on above garbled groups.

0208

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

TELEGRAM RECEIVED

CORRECTED COPY

FROM

AS

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

Kunming via Chungking & N.R.

Dated September 6, 1940

Rec'd 2:50 p.m., 7th

Secretary of State,

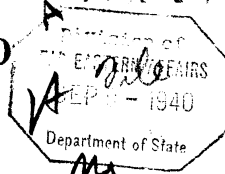
Washington.

September 6, 2 p.m.

French railway officials state that all freight
cars at Lao Kay, 78 in number, were on September 4 sent
to Yunnanfu and approximately same number at Hokow were
sent into Indochina. Many French families in Yunnanfu
are preparing to evacuate to Indochina should that govern-
ment accede to Japanese demands in view of possible feel-
ing here.

Local aviation adviser states one version of present
military arrangement with Chungking to be a defense army
of 250,000 troops, all Yunnanese, the Central Government
to furnish airplanes, artillery and heavy equipment. Rail-
way official states that recent troop movements southward
via railway not important, something over 3,000 having left
here within past 10 days; aviation adviser reports having
seen three detachments of about 8,000 each going eastward

on



7.7. 793.94/10134

0209

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

AS-2- September 6, 2 p.m., from Kunming via Chungking.

on Kwei Yang highway a few days ago. Yunnanfu is quiet although filled with rumors.

In a private interview yesterday General Lu Han appeared pessimistic of Indochina's power to resist Japanese successfully, believing Japan's hesitation to take direct action to be due more to diplomatic causes, including importantly American warnings, than to military insufficiency. He said confidentially that Chinese forces would certainly march in case of a Japanese invasion of Indochina rather than await an attack on Yunnanfu, but he had no knowledge whether the French would welcome such support in their own territory.

Sent to the Department, repeated to Peiping.

UNSIGNED

EMB

Original message was copied with "Yunnanfu" as originating point.

0211

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

TELEGRAM RECEIVED

EG

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

FROM Peiping via N. R.

Dated September 7, 1940

Rec'd 1 a.m., 8th

Secretary of State,
 Washington.

COPIES IN PARAPHRASE
 SENT TO O.N.I. AND
 M.I.D. IN CONFIDENCE
 9/10/40

RECEIVED
 SEP 10 - 1940
 Department of State
 AM

312, September 7, 1 p.m. (SECTION ONE)

Peiping's 292, August 28, 4 p.m. Chinese military activity.

The following information concerning Chinese military activity beginning August 20 was obtained here today from an American missionary believed to be reliable who was in Taiyuan at the time and who left there September 1 for Peiping via Tatung:

The railways north, south and east of Taiyuan were cut the night of August 20. Traffic was restored on the Tungpu line north and south of Taiyuan, although sporadic engagements continued. On the Chengtai line the Chinese captured all important points between Yutze and Chinghsing, including the Niangtzekuan pass; 30 miles of track were carried away; ties were burnt, bridges damaged and cliffs blasted to cover the right of way. Three hundred Japanese civilians estimated killed in the Yangchuan area. At least two months will be required to restore traffic if the Japanese can hold the line.

(END SECTION ONE)

SMYTH

PEG

793.94/16165

F/FG

793.94
 note
 793.77

RECEIVED
 SEP 10 1940

DECLASSIFIED: E.O. 11652, 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

EH

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

FROM

Peiping via N. R.

Dated September 7, 1940

Rec'd 1 a.m. 8th.

Secretary of State,
 Washington.

312, September 7, 1 p.m. (SECTION TWO)

Chinese troops had been coming in from the south and also from Hopei, but relatively few from Shansi. The Japanese expected the attack (this probably explains the rumor heard in Peiping that they were quietly withdrawing their women and children from Shansi) but apparently not as soon as it took place. Japanese troops are apparently abandoning many localities and concentrating on Taiyuan and the railways. Chinese in Shansi in general are confident of ultimate victory.

The above information ceases with September 1 when informant left Taiyuan. The present situation along the Chengtai is obscure, although local Japanese spokesman admits that traffic has not (repeat not) been restored. The Japanese claim to have dispersed the Chinese and recaptured the railway. From other sources it is learned serious fighting broke out near Chinghsing September 3.

Sent to Department. Repeated to Chungking and Shanghai.
 Code text by air mail to Tokyo. (END OF MESSAGE)

TFV

SIXTH

0212

DECLASSIFIED: E.O. 11652, 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)

P A R A P H R A S E

A telegram (no. 312) of September 7, 1940, from the American Embassy at Peiping reads substantially as follows:

On September 7, information in regard to military activity by the Chinese beginning August 20 was obtained from an American missionary in Peiping. This missionary, who was in Taiyuan on August 20 and who left Taiyuan for Peiping by way of Tatung on September 1, is believed to be reliable. The information is to the following effect:

On the night of August 20, the railways to the east, north and south of Taiyuan were cut. Although engagements continued sporadically, traffic was resumed north and south of Taiyuan on the Tungpu line. The Niantzekuan pass and all of the other important places between Yutze and Chinghsing on the Chengtai line were captured by the Chinese, railway ties being burned, 30 miles of track being carried away, cliffs blown up to cover the right of way, and damage being inflicted on the bridges. It is estimated that in the region around Yangchuan 300 Japanese civilians were killed. If the Japanese are able to hold the line, it will be two months at least before traffic can be resumed. Chinese soldiers had been coming in from Hopei and from the south; but comparatively few were coming

0213

DECLASSIFIED: E.O. 11652, 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-

coming from Shansi Province. Although the Japanese were looking for the attack, they were evidently not expecting that it would come so soon. It is likely that their expectation of the attack explains the report in Peiping that Japanese women and children in Shansi were quietly evacuating. It seems that the Japanese forces are giving up many places and concentrating on the railways and Taiyuan. Confidence in final victory is general among Chinese in Shansi Province. This information ends with September 1 when the above mentioned missionary left Taiyuan.

The situation along the Chengtai line at the present time is not clear. The Japanese spokesman in Peiping admits that traffic on the line has not been resumed. The Japanese say that they have again captured the railway and scattered the Chinese forces. It has been learned from other persons that on September 3 there was an outbreak of serious fighting in the vicinity of Chinghsing.

FE:ECG:JFS
9-10

McK
FE

0214

DECLASSIFIED: E.O. 11652, 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

SEP 10 1940
 DIVISION OF
 COMMUNICATIONS AND RECORDS
 FROM

GRAY

Shanghai via N.R.

Dated September 6, 1940

Rec'd. 9:15 a. m., 7th

076101845

CERT

COPIES SENT TO

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

11/190

R&K

Secretary of State,
 Washington

878, September 6, 2 p. m.

Incident of July 7.

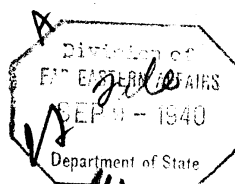
Since my 821, August 26, 6 p. m., I have had

informal conversations with Consul General Miura of
 a private nature in an endeavor to reach a formula
 satisfactory for closing the incident. While these
 conversations have not definitely closed, there is
 no agreement as to when they will be. Some days ago
 and shortly after my last conversation on this subject
 with Consul General Miura, Colonel Peck was approached
 by the Japanese military liaison officer, Colonel
 Utonomiya and it appears that they are making progress
 toward a settlement.

Sent to the Department. Repeated to Chungking,
 Peiping, Tokyo.

BUTRICK

PEG



730.34/16165

SEP 10 1940

F-H-G
FILED

793.94
 NOTE
 843.10222

0215

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 12, 1940.

~~GA:~~
~~WHR:~~
~~MMH:~~

To read Chungking's previous
despatch no. 632, August 13, 1940,
which elaborates on Chungking's
telegram 397 of August 13.

General Chiang's address need
not be read. As stated in the
covering despatch it is largely
reiteration. It does not, however,
seem entirely to deserve the term
"effusion".

793.94/16167

FE:KCK:FR

0216

DECLASSIFIED: E.O. 11652, 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. 632.

Chungking, August 13, 1940

Subject: General Chiang Kai-shek's Statement
on Third Anniversary of Commencement
of Hostilities at Shanghai.

Air mail

RECEIVED
EMBASSY OF THE
UNITED STATES OF AMERICA

1940 SEP 10 AM 10 45

DIVISION OF
COMMUNICATIONS
AND RECORDS

K file
WA
144

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

19394
1/ I have the honor to refer to my telegram no. 397
of August 13, 2 p.m. in which I reported briefly on a
statement issued by General Chiang Kai-shek on the
third anniversary of the commencement of Sino-Japanese
hostilities at Shanghai, and to enclose herewith a copy
of a "running summary" in English translation released
by the Central News Agency, the official news distribu-
tion organ of the Chinese Government.

There is little or nothing new in this, the most
recent public effusion on the part of the Generalissimo;
it reiterates declarations made by him in the past.
However, it doubtless serves a purpose in that it
apparently tends once again to make clear to the Chinese
people and to the concerned third Powers that China is
determined to carry on the struggle, however great the
odds may have become. There is no reason to believe that
the statement does not represent the Generalissimo's views
and policies.

Respectfully yours,

Nelson Trusler Johnson

Enclosure:

Nelson Trusler Johnson

1/ Copy of summary,
as above.

Original (by air mail) and four copies to Department

Copy to Peiping

Copy to Shanghai

Copy to Tokyo

800/710

EFD:MCL

736.94/16167

1/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

Enclosure no. 1 to despatch no. 632 dated August 13, 1940,
 from American Embassy at Chungking on subject of "General
 Chiang Kai-shek's Statement on Third Anniversary of Com-
 mencement of Hostilities at Shanghai".

SOURCE: CENTRAL NEWS AGENCY

Chungking, August 12, 1940

Running Summary of General Chiang Kai-shek's
 Statement on Third Anniversary of
 Commencement of Hostilities
 at Shanghai

Three years ago today, when we began fighting at
 Shanghai, we had only three divisions against an invad-
 ing force of more than 200,000 men with their land,
 naval and air forces. Yet, we finally crushed the
 Japanese attempt to "bring China to her knees within
 three months."

In the eyes of the world, we established the
 prestige of the Chinese National Revolutionary Army.
 In the family of nations, we raised the position of
 our state. We demonstrated to the world our national
 spirit of self-reliance, and our ability to strengthen
 ourselves and to fight to the last.

"August 13" is the most memorable anniversary in
 the course of our sacred war of resistance. It may be
 recalled that the enemy thought on August 13, 1937, that
 they could conquer China. After the occupation of Peiping
 and Tientsin, they launched the southern invasion. In
 their estimation, China did not have the will to resist
 and at the same time have the strength to fight a long
 war. In short, they thought that the subjugation of China
 was a foregone conclusion. Never did they imagine that
 three years after the outbreak of the hostilities, China's
 fighting spirit and armed strength would be double that
 of "August 13."

In the course of these three years, the unbendable
 spirit of China has won world-wide admiration. We may
 say then, that "August 13" marked the beginning of China's
 self-defense and the failure of the enemy's aggression.
 It may also be said that the comparative position of
 China and Japan, as well as the future of the Orient,
 was decided on August 13, 1937.

It is my belief that the armed forces and civilians
 of the entire nation will forever remember on this day
 the heroic successes of our fighting forces, remember
 those who fell, and realize the truth that spiritual forces
 transform material strength.

On

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

- 2 -

On this important anniversary, I would like to give a message to our fellow countrymen in Shanghai and in occupied areas. I would also like to give a message to the people of the entire nation.

Speaking about the term, "occupied area," my heart is filled with grief. Ever since the enemy started the invasion, our sacred soil has been trampled, and we, the descendants of Huang Ti have been subjected to brutal murder and unspeakable persecutions. I consider my duty not faithfully discharged as long as the enemy has not completely withdrawn from our territory and as long as all my fellow countrymen have not been fully liberated.

I would like to remind our compatriots in Shanghai and the occupied areas again, that I have never forgotten their personal sufferings and that I have not for a moment shirked my duty. Our compatriots in the occupied areas should remember that we will never abandon a single inch of our territory and that the enemy is certain to fail in the end. They should also realize that the armed forces and civilians both at the front and in the rear are all intensifying the struggle in anticipation of the final victory. They should also realize that in this gigantic struggle, they can still make invaluable contributions toward its success.

Concerning conditions in the occupied areas, I say that in the last year the enemy's diabolical attempt to enslave and poison our people with drugs has been intensified and their persecution of our people has become more venomous. To cite an example, in the course of the last three years, more than 400,000 Japanese ronin and other drug merchants have followed the invading armies and migrated into occupied areas. These exclude the "running dogs," the Korean and Formosan ronin and those who moved into the northeastern provinces. They have established over 30 so-called "national policy companies" to bleed the Chinese people white.

In the occupied areas, enemy soldiers rank first, Japanese residents rank second, Korean and Formosan ronin rank third, while the descendants of Huang Ti are enslaved by these three classes, besides being oppressed by traitors and puppets. Under such tragic circumstances, if we do not make up our minds to save ourselves in time, how can we still survive? How can we face our ancestors and posterity?

There is another point that needs elucidation. The enemy, realizing that our spirit is unbendable, is trying every means to crush that spirit. Incidents which have happened in recent months may be cited to illustrate. At the end of July, the enemy burned no less than 70 villages at Tsingpu and Sunkiang in western Shanghai, making more than 10,000 families homeless. What is left in the two places now is nothing but broken walls.

Only a few days ago, the enemy resorted to a large scale plundering, raping, burning and slaughtering on Tsungming Island. There were cases in which entire families were locked in their houses and burned alive.

Some

DECLASSIFIED: E.O. 11652, 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 -

Some were herded together and mowed down by machinegun fire. Other atrocities are too numerous to recount. Suffice it to say that no Chinese in occupied areas has escaped enemy persecution of one sort or another.

If in the face of our heroic resistance, the enemy still treats our compatriots like animals, what would the situation be like if we could not resist? In that case, not only would the lives of our compatriots in occupied areas be completely at their mercy, but the entire nation would suffer the same fate and there would be not an inch of free soil in our 11,000,000 square li of land. We should realize that only by determined resistance and seeking life through death, can we foil the enemy's ambitions. There is no short cut--neither a false peace nor arbitrary submission. The more barbarous the enemy's atrocities, the more determined will be our determination to resist. We who live in this period, should set an example for posterity and perpetuate the glory of our 5,000 year-old heritage.

It is my hope that you will understand that the enemy has reached the end of his tether and this is an opportune moment for us to double our efforts to seek our liberation. Who among us has not had loved ones suffer the tragic fate and indignities inflicted by the enemy? We must avenge.

Fellow countrymen, many a war has been fought in this world since time immemorial. Never has there been a belligerent like our enemy, who not only seeks to destroy a nation with 5,000 years of culture and history, but also seeks to annihilate 450,000,000 people. Never in world history has there been such brutality, ruthlessness, and preposterousness.

At present, the enemy, even the officers and men in their army under the vigilance of their War Office, openly admit the heroism and dogged determination of the Chinese armed forces and civilians. They were surprised by the dare-to-die spirit of the Chinese officers and men. They consider the unbendable spirit of the Chinese armed forces and civilians the greatest obstacles in their operations in China.

The Chinese people are not afraid of the blockade. They are not afraid of coercion, bombings and destruction. Our bogging down the enemy will have a great effect on the final outcome of the war. I am gratified to hear of each case in which enemy troops in occupied areas have been killed, their warehouses destroyed or their communications disrupted.

The fighting forces and people of the entire nation are deeply moved by the anxiety of our compatriots in the occupied areas for the return of our National Army and for news of our victory. They too are always thinking of you, but your deliverance must be sought through the whole nation's victory over the enemy. Consequently, you who are in occupied areas should find means of augmenting the forces of resistance so as to accelerate the enemy's total collapse.

Lastly,

DECLASSIFIED: E.O. 11652, 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 -

Lastly, I solemnly pledge to my fellow countrymen in occupied areas that I shall not relax in my duty of saving our nation and freeing our people. I reiterate that our compatriots in occupied areas should find every possible means of carrying on the war in enemy territory. Every Chinese should faithfully observe the principles of the National Spiritual Mobilization Movement.

People should admonish one another not to place their services at the disposal of the enemy and the puppets. Although not every one of us is armed, we all have that spiritual heritage with which we are duty-bound to fight the enemy. Our compatriots in occupied areas can resist the enemy's offensive against Chinese morals by exerting will-power and refusing to enter enemy-sponsored brothels, opium dens and gambling establishments which are designed to weaken our power of resistance.

Young men living in the Shanghai, Tientsin and Hankow concessions and in Peiping, Nanking, Tsingtao, Amoy, Canton, Tsinan and in the Northeast as well as other occupied provinces, should practice moral endeavor and thrift, and should not lapse into a false sense of security.

Speaking from a more positive standpoint, I further hope that those in occupied areas will find means to overcome all difficulties and either jointly or individually aid the National Army in destroying all enemy military and economic establishments, and raiding enemy garrisons, rendering them impotent. This will facilitate our operations at the front and will make their so-called "occupied areas" a burden instead of an asset. In this way, we will render the enemy's political and economic aggression ineffective.

Fellow countrymen, we must realize that our country has reached the most crucial stage. The opportunity has arrived for us to wipe out our humiliation and avenge all the injustices. As long as our armed forces and our civilians at the front, in the war zones and in non-combatant areas fight with one mind, I am confident of our final victory and the consummation of our task of national reconstruction.

BB

0221

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



EMBASSY OF THE
 UNITED STATES OF AMERICA

No. 639.

Chungking, August 23, 1940

Subject: Military Developments in Yunnan:
 Visit of General Ho Ying-chin.

AIR MAIL

| | | |
|-------|-----|-----------|
| Grade | For | in U.S.A. |
| | | |

OCT 8 1940

750.34/16168

COMMERCIAL AFFAIRS
 Department of State

OCT 3 - 1940

DIVISION OF

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

7519.94/23

I have the honor to refer to Yunnanfu's telegram no. 28, August 11, 10 a.m. to the Department, and to enclose a copy of a despatch received from the Consulate at Yunnanfu dated August 14, 1940 in regard to the visit of General Ho Ying-chin to Yunnanfu. The Vice Consul at Yunnanfu reports that the visit of General Ho, who is Chief of Staff and Minister of Military Administration, is apparently in the nature of a reconnaissance of the defenses of Yunnan.

It is now clear that reports of the visit of General Chiang Kai-shek and General Yang Chieh to Yunnan were false; it is not unlikely that they were inspired by the Japanese for reasons that are not wholly clear.

Although

F/FG

0222

DECLASSIFIED: E.O. 11652, 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 -

Although it is not certain whether they are connected with the visit of General Ho Ying-chin, it is reliably reported that arrangements have been effected of a very recent date between the National Government and the Yunnan Provincial authorities whereby six Yunnanese divisions are to be reorganized according to National Government pattern and are to be maintained by the National Government. It is presumed that this arrangement has arisen in consequence of the new threat to Yunnan from the direction of Indochina and that the Yunnanese divisions will be at the free disposal of the National Government in the general plan of defense.

The re-organization of the Yunnanese divisions should once more allay the speculation--which is no doubt wishfully fostered by the Japanese--to the effect that the Yunnanese are on the verge of defection from the National Government. It would appear that the Yunnanese are no less resolved now than in the past to continue the struggle against Japan.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson

Enclosure:

1/ Copy of despatch, as above.

Original (by air mail) and four copies to Department
Copy to Peiping
Copy to Yunnanfu (no enclosure).

800/820/710

EFD:MCL

0223

DECLASSIFIED: E.O. 11652, 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. 639 dated August 23, 1940,
from American Embassy at Chungking on subject of "Military
Developments in Yunnan: Visit of General Ho Ying-chin".

(C O P Y)

AMERICAN CONSULATE
Yunnanfu, China, August 14, 1940.

SUBJECT: Visit of Ho Ying-chin, Minister
of War, to Yunnanfu.

The Honorable
Nelson Trusler Johnson,
American Ambassador,
Chungking.

Sir:

I have the honor to refer to my telegram No. 28, August 11, 10 a.m., to the Department, which was repeated to Chungking and Peiping. A further report on the visit of the Minister of War is submitted herewith.

As noted in the telegram under reference, the Minister of War was met at the airfield by Chairman Lung Yun, a guard of honor being present on the occasion. It is now known that Yang Chieh did not arrive with him. Since then the Minister has been staying in the home of General Lu Han, Commander-in-chief of the Yunnan troops and commander of the Fifth Army Corps. It is understood that several important conferences on military affairs have been held since Ho's arrival, and it is known that the Minister of War and provincial circles desire to keep the visit quiet. Nothing has so far been reported in the Yunnanfu press.

Opinion in both National Government and Yunnan Provincial Government circles inclines to the view that the Minister's visit is of the nature of a reconnaissance of Yunnan's defenses. According to reliable reports, he is inspecting arsenals and other military establishments. One contact high in the Provincial Government councils states that the visit is expected to last two weeks. According to another source believed to be close to the Provincial Government, one of the purposes of Ho's visit is to negotiate for the sending of National Government troops into the Province.

So far, there has been no indication of any possible defection of Yunnan from the cause of the National Government, although there have been reports (chiefly from Chungking sources) that Ho is inclined toward the "peace" party.

Respectfully yours,
(Signed) Stephen C. Brown
Stephen C. Brown,
American Vice Consul.

800 SCB:SA.
Copy to Embassy, Peiping.

0224

DECLASSIFIED: E.O. 11652, 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

Se 9/12
~~XXXX~~
MMH Chungking's desp.
642 Aug. 27 is adequately
summarized on
Page 4

MoK

0225

DECLASSIFIED: E.O. 11652, 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. 642.

Chungking, August 27, 1940

Subject: Military Developments: General Chiang
Calls Regional Commanders for Consul-
tation.

Air mail

Confidential

1940 SEP 10 AM 10 45

COMMUNICATIONS
AND RECORDS

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COMMERCIAL AFFAIRS
Department of State

SEP 20 1940

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SEP 27 1940

700.34/10169

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report that during the past several weeks Generalissimo Chiang Kai-shek has been summoning various regional or zone military commanders to Chungking. It is reliably reported that the Generalissimo has been holding detailed conversations with these commanders, not in a body but individually. If usually reliable sources can be credited, the Generalissimo, in addition to receiving reports on the general military situation in the various regional areas, has been discussing with the commanders questions of strategy and tactics based upon an expected Japanese advance upon, and the possible loss of, Chungking. It appears that just prior to the fall of Hankow, the

Generalissimo

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2

0226

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

- 2 -

Generalissimo conceived the idea of a decentralized system of resistance and he himself moved his headquarters to Hangyang rather than to Chungking. But ere long the Generalissimo perceived the advantage of establishing himself in the center of resistance, and so he arrived in Chungking in December 1938 and has made this city his headquarters ever since. However, the Generalissimo is now represented as feeling that if Chungking is lost there will be no possibility of setting up another central headquarters. He is said to have reverted, therefore, to the plan of decentralized resistance referred to above. This plan apparently envisages a system whereby the individual zone commanders would be expected to carry on hostilities in their respective areas on a relatively independent basis and in accordance with their own concepts of strategy and developments. The Generalissimo, it is reported, has made it a point to discuss these points thoroughly with the commanders and to school them in his concepts of how this novel method of warfare could be carried on.

Among the regional commanders, or their chiefs of staff, who have been interviewing the Generalissimo in Chungking are:

General Hu Tsung-nan, commanding upwards of twenty crack divisions on the Shensi-Kansu border; General Wei Li-huang of Loyang, Honan; General Kuan Lien-chung of Changsha; General Li Tsung-jen of western Hupeh; and General Li Han-hun of Kwangtung.

Insofar as the Embassy has been able to observe there has, apart from the May campaign in south Honan and north Hupeh and the June campaign in west Hupeh, been little large-scale military action in recent months. The recent Japanese campaign in Honan and north Hupeh may be considered to have failed, as the Japanese were forced to retire from the areas to which they penetrated after suffering substantial losses. However, the Japanese advance on and capture of Ichang were effected with a minimum of effort. Chinese resistance was negligible, a circumstance that is ascribed in most quarters to the poor quality of the troops that were assigned to the defense of Ichang. Although General Chen Cheng was sent down-river in an effort to retrieve the situation, he could not stem the advance of the Japanese units, much less recover the territory that was lost in the Japanese advance. As the situation now stands, the Japanese hold the Ichang area with a small force of troops which is supplied over a tenuous route along a motor road leading from the Han River to Ichang. It is noteworthy that the Japanese have been unable to open the Yangtze River for navigation from Hankow to Ichang, as there are Chinese mine fields between the two ports that must be removed. For the present the Japanese in Ichang seem content to limit themselves to securing their hold on the city and to driving the Chinese forces to such a distance from the

environs

0227

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

AIR MAIL

- 3 -

environs of the city as to enable the Japanese to repair and use the air field.

Although military operations at this writing are at a low ebb, Chinese military officials appear to be keenly alive to the possibility of a renewed drive by the Japanese in order to liquidate the "China Incident". It is generally felt that a renewed Japanese push would be directed chiefly against the provisional capital at Chungking, perhaps in synchronization with attacks launched against Shensi and western Kwan-si and Yunnan. The general consensus is that any full-scale drive on Chungking is most likely to come from the region of Ichang, as there is a highway leading from the south bank of the Yangtze opposite Ichang to Chien Shih (建始), Enshih (恩施) and Hsien Feng (咸丰), in western Hupeh, and on to Ch'ien Kiang (黔江), Nan Chuan (南川), and Chi Kiang (綦江) in southeastern Szechuan. Chi Kiang is an important junction city located about 100 kilometers south of Chungking on the Chungking-Kweiyang highway. But such an invasion on the part of the Japanese would entail great difficulties, for the terrain is mountainous, the countryside poverty-stricken, and the line of communications long, tenuous and poor. Given resolute resistance on the part of the Chinese forces, it seems that the Japanese would be faced with a campaign equally, if not more, difficult than that which they faced in taking Hankow in the autumn of 1938. At any rate, it appears that if the Japanese propose to embark upon a campaign which envisages the capture of Chungking they will find it necessary to secure their water communications to Ichang, send substantial reinforcements and supplies to the central China area, and drive off the large bodies of Chinese troops infesting their flanks in western Hupeh and northern Hunan. With the low-water season approaching on the Yangtze and with the advent of rainy weather and poor visibility in western Hupeh and Szechuan, it seems scarcely possible that the Japanese are in a position to launch a large-scale offensive on Chungking in the near future.

But, as has been indicated above, the Chinese military authorities are keenly aware of the possibility of a Japanese drive on Chungking and they are therefore making plans to meet any such onslaught. In this connection a new war zone--the sixth--has been established in west Hupeh and north Hunan and General Chen Cheng, confidant of the Generalissimo, has been placed in command, having resigned all other positions in order to give his full attention to the defense of Chungking. Moreover, the Embassy is in receipt of reports to the effect that Chinese troop reinforcement and supplies are being sent into western Hupeh in anticipation of an attack. From all indications, the Chinese do not seriously entertain the idea that the Japanese may endeavor to penetrate into Szechuan via the Yangtze Gorges, for such a move would be

fraught

0228

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

- 4 -

AIR MAIL

fraught with the greatest natural difficulties, not to mention the fact that the Chinese have been careful to remove all upper-river pilots to Szechuan.

Summary:

With a view to the possible capture of Chungking by the Japanese, General Chiang Kai-shek has been instructing his regional commanders in the strategy of a decentralized system of resistance. The Japanese attack if made would probably be from Ichang and the Embassy believes that the probability of its being attempted, at least until next spring, is slight. Moreover, it would prove difficult and unlikely to succeed. Supplies and additional troops are being sent into the region the Japanese column would have to travel through, and the poverty and rough nature of the terrain would be of great assistance to the Chinese.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson

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

800/710

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0225

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 643.

Chungking, August 27, 1940

Subject: Re-delimitation of War Zones.

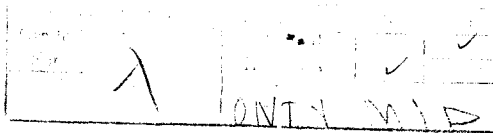
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793.94/16170

793.94

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report, as of possible interest to the Department, that there has recently occurred a revision of the system of so-called war zones in China; there have also occurred some changes in the commanders of the war zones. Of chief interest is the fact that a new war zone has been established in west Hupeh and northwest Hunan under the control of General Chen Cheng, who has been given the responsibility of defending Chungking against an anticipated Japanese attack. *General Chang Fa-Kuei has been shifted from Kwangtung to Kwangsi and General Yu Han-mou has been placed in charge of the Kwangtung zone.

For

F/F/G

*Embassy's despatch no. 642 dated August 27, 1940.

0230

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

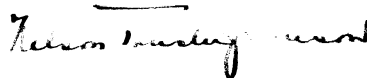
AIR MAIL

- 2 -

For the Department's records there follows an enumeration of the war zones, as given to the Embassy:

| <u>Number</u> | <u>Region</u> | <u>Commander</u> |
|---------------|---|------------------|
| First | N. Honan, Hopeh, Shansi | Wei Li-huang |
| Second | Shansi, Chahar | Yen Hsi-shan |
| Third | Chekiang, Kiangsu, S. Anhwei | Ku Chu-tung |
| Fourth | Kwangsi | Chang Fa-kuei |
| Fifth | S. Honan, N. Anhwei, N. Hupeh | Li Tsung-jen |
| Sixth | W. Hupeh, NW Hunan | Chen Cheng |
| Seventh | Kwangtung, S. Fukien,
S. Kiangsi | Yu Han-mou |
| Eighth | Hansu, Shensi, Suiyuan | Chu Shao-liang |
| Ninth | S. Hupeh, NE, central and
S. Hunan; north
Kiangsi | Hsueh Yueh |

Respectfully yours,



Nelson Trusler Johnson

Original and two copies by air mail to Department
 Two copies by pouch to Department
 Copy to Peiping

800/710

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0231

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

272

TELEGRAM RECEIVED

JT

FROM GRAY

SHANGHAI VIA M.R.

Dated September 10, 1940

Rec'd 2:45 p.m.

Secretary of State

SEP 16 1940

Washington DEPARTMENT OF STATE

896, September 10, 4 p.m.

Incident of July 7th.

With reference to my telegram 878^{16/60} September 6,
2 p.m.; Colonel Peck states that he has heard nothing
from the Japanese since he handed them a copy of a sug-
gested press release and a suggested prearranged conversa-
tion between General Miura and himself and that therefore
it appears they have dropped negotiations, at least for
the time being. I assume that there is no change in the
Department's attitude as expressed in its 317¹⁶⁰⁵³ July 18,
10 a.m.

Sent to the Department, Repeated to Chungking,
Peiping, Tokyo.

BUTRICK

KLP

793.94/

TELEGRAM

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193.94/101/1

NOV 16 1940

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0232

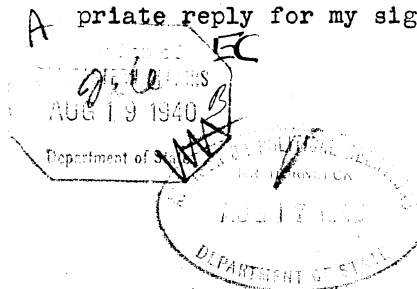
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
THE UNDER SECRETARY

August 16, 1940

PA/H
Dr. Hornbeck:

Please draft some appropriate reply for my signature.



Letter drafted 8-2-40

U:SW:FMB

0233

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

CHARLES EDISON

West Orange

New Jersey

August 15, 1940

8/22/40 EL
August 23, 1940

Dear Sumner:

Enclosed is a copy of a letter from General Chen Hsiao-Wei and my proposed answer.

I dictated the reply according to my feelings but then I thought it might not be so good for an ex-Secretary of the Navy to take a position in this matter of Japan and China. What do you think or suggest?

Sincerely

Charles Edison

Charles Edison

793.94
Honorable Sumner Welles
Under Secretary of State
Washington, D.C.

793.94/16172

F/FG

0234

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

COPY

COPY

THE OBSERVATORY
(SEMI-WEEKLY REVIEW)

HONG KONG, June 26th, 1940.

Mr. Charles Edison,
Ex-Secretary of the Navy Department,
Washington, D. C.

Hon. Mr. Edison,

I have the honour to present you with a copy of my booklet "Present Military Problems in China" for your perusal as a token of lasting international friendship. I hope you will be kind enough to read through all its pages and let me have the benefit of your valuable criticism and apperception of the expert political observer.

As to the truth of my assertions in the conversations, my friends Mr. W. H. Donald, the highest adviser to Generalissimo Chiang Kai-Shek, and Dr. George Fitch, Secretary of the National Committee of the Chinese Y.M.C.A. at Chungking can bear me testimony in their respective introductions to this book.

I am grateful to what your Government has done so far in assisting China in her armed resistance struggle, and hope that a full and immediate enforcement of the Embargo be carried out to check the aggressor in their ruthless havoc in China.

Your acknowledgment of the receipt of the book or your valuable criticism will be appreciated and printed, if I am so favoured, in our next monthly issue of the "Bulletin for Cultural Movement in China".

With best compliments and kindest regards,

I am,

Yours very faithfully,

/s/ Chen Hsiao-Wei

General Chen Hsiao-Wei.

0235

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

August 12, 1970

Dear General Chen Hsiao-Wei:

I am grateful to you for sending me the booklet "Present Military Problems in China".

China's heroic stand against ruthless aggression has stirred a deeply responsive chord in the hearts of the American people. The friendship of China and the United States is constantly strengthening and becoming of richer significance. It is my hope that your efforts will be rewarded and that in due time brighter civilization will again blossom in China as well as in Europe.

May I, in my own way, thank you for the help you have given me in times of stress. Perhaps you, too, will like them.

"He who loses wealth loses much;
he who loses friends loses more;
but he who loses his courage
loses all."

Confucius

With kindest regards,

Sincerely,

Charles Wilson

General Chen Hsiao-Wei
100 OBSERVATORY
National Bank Building
100, Kowloon, China

CF:MM

0236

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

1940-23, 10, 11

Dear Charles:

I have received your letter of August 15, 1940,
enclosing copies of a letter received from General
Chen Hsiao-wei and of the draft of your proposed reply.
I have looked over that draft reply and perceive no
objection to your making the comment contained in the
letter as written.

I appreciate the courtesy which prompted you to
give me the opportunity of considering that letter in
its draft form.

Sincerely yours,

Sumner Welles

793.94/16172

The Honorable

Charles Edison,

West Orange,

New Jersey.

A true copy of
the signed original

F/FG

EC
FE:OEC:JPS
8-22

GA FE
JMB

PA/H
10-1

0237

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

FE

TELEGRAM RECEIVED

JT

GRAY

FROM

SHANGHAI VIA N.R.

COPIES SENT TO
 O.N.I. AND M.I.D.
 9/21/77

Dated September 11, 1940

Rec'd 3:10 p.m.

Secretary of State,
 Washington.

A
 K
 X
 J
 WAA

905, September 11, 4 p.m.

All the officers and clerical employees of the
 First Special Area District Court and the Kiangsu High
 Court, Second Branch have received the following, dated
 September 8th:

"Three years ago the Chungking Government started
 hostilities in haste with insufficient preparations,
 the result being the sacrifice of many lives and the
 loss of wide areas of land. Its repeated declarations of
 national reconstruction through resistance have culminated
 in the destruction and fall of many cities. Its confi-
 dence in a final victory merely means repeated retreats.
 These are the facts known to all people throughout the
 country.

The Chungking regime, however, tries to comfort
 itself and cheat the people by relying on foreign
 assistance. Can foreign aid be relied upon? Transporta-
 tion of supplies to Chungking via the Yunnan-Annam rail-
 way has now been blocked by the French authorities.

The

793.94/16173

F/FG

793.94
 note
 893.0144
 793.94119

RECEIVED
 NOV 2 1940

DECLASSIFIED: E.O. 11652, 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- No. 905, September 11, 4 p.m., from Shanghai

The British forces have evacuated from China. In Shanghai after the withdrawal of British troops, the American marines attempted to hold a senior position among the defense forces, but their attempts have proved abortive.

Since their powers themselves are in a state of difficulties and are unable to take care of their own interests in the Far East, whoever insist upon foreign assistance should repent forthwith. in order to preclude advantages being taken of (*) by third party elements.

With a view to saving our people from the dangers of fire and water and in the interests of the national integrity of China, Mr. Wang Ching Wei decided to launch the peace movement.

(END SECTION ONE)

BUTRICK

NPL

(*) Apparent omission.

0 2 3 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

TELEGRAM RECEIVED

RDS

FROM

GRAY

SHANGHAI VIA N.R.

Dated September 11, 1940

Rec'd 4:30 p.m.

Secretary of State,
Washington.

905, September 11, 4 p.m. (SECTION TWO)

Since the return of the national Government to Nanking, more than five months have elapsed. Every effort has been made to maintain and secure the recovery of territorial integrity. No assurance has been given which will insure the prestige and sovereignty of our country. While we believe that all these facts are well known to you, we wonder why you still hold a 'watch and wait' attitude.

As the present time is opportune to devote oneself to the salvation of our country, you are hereby requested in your own interest to report to this headquarters at 76 Jessfield Road, and openly express your views, within seven days from date of receipt of this letter, in order to avoid any misunderstanding. Your personal attendance or letter of reply will be heartily welcomed. In default, it is better that you resign voluntarily from your present post; otherwise it is likely that

action

DECLASSIFIED: E.O. 11652, 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- #905, September 11, 4 p.m. (SECTION TWO) from
Shanghai via N.R.

action will be taken against you by some other people
who are doubtful of your attitude.

(chopped) Special District Headquarters of the
Anti-Communist and National Peace Kuomintang".

I shall send further information on this subject
later.

73 Jessfield Road is now known as the Shanghai
Bureau of the Ministry of Police of the National Govern-
ment. The property connects with 92 Jessfield Road
which is the headquarters of the Japanese gendarmes for
the western extra-settlement roads area.

Sent to the Department. Repeated to Chungking,
Peiping. By air mail to Tokyo.

(END OF MESSAGE)

PUTPICK

NPL

0241

DECLASSIFIED: E.O. 11652, 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

AS FROM PLAIN
Chungking via N. R.
Dated September 12, 1940
Rec'd 1:25 p.m.

Secretary of State, COPIES SENT TO
Washington. O.N.I. AND M.I.D.
9/13/40 REK

463, September 12, 3 p.m.

793.94
Japanese planes resumed aerial bombardment of Chungking and environs today for the first time since August twenty-three. Apparently light or medium bombing planes of great speed, maneuverability and climbing capacity participated for the first time in the raids on Chungking, about ten of these planes power diving to attack an airfield and flying low over certain areas of the city. The light planes were followed by twenty-six heavy bombers in single formation which bombarded the southwestern section of the city apparently causing slight damage.

The Embassy has thus far received no (repeat no) reports of injury to American nationals or property.

Sent to the Department; repeated to Peiping, Hankow, Shanghai. Shanghai please air mail to Tokyo. Air mail to Yunnanfu.

JOHNSON

HPD

193.94/16174

F/FG

0242

DECLASSIFIED: E.O. 11652, 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

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

TCYVO
 Dated September 12, 1940
 Rec'd noon *Tel to Shanghai drafted WAA*

Secretary of State
 Washington

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

ADVISOR ON POLITICAL RELATIONS
 MR. HORNBECK
 SEP 16 1940
 DEPARTMENT OF STATE

825. September 12, 7 p.m.
 One. The Minister for Foreign Affairs asked me
 to call this afternoon and for one hour and twenty
 minutes discussed the Shanghai marines incident of July
 7 and the question of the defense sectors.

Two. With regard to the incident of July 7, the
 Minister repeated his former allegation that Colonel
 Peck and Major General Miura were on the point of reach-
 ing a final settlement of the incident when the Depart-
 ment of State intervened and rendered the ensuing atti-
 tude of Admiral Glassford and Colonel Peck completely
 "adamant". I replied as formerly that this was not my
 understanding of the facts (Department's 316, August 20,
 6 p.m.) and I thereupon went over the entire history of
 the incident as it appears in our correspondence with the
 Department and Shanghai. The Minister took issue with
 nearly every point and the resulting argument was wholly
 inconclusive. The Minister said that the negotiations in
 Shanghai have finally been broken off and that the net
 result

793.94
 note
 893.102
 711.94

793.94/16175

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

274

PAW -2- 825 Sept. 12, 7 p.m. from Tokyo

result is a general feeling of friction and irritation.

Three. The Minister then discussed at great length the controversy of the defense sectors. He said that the Japanese military and naval authorities in Shanghai feel that the decision of the Defense Committee has the appearance of having been forced by the American authorities on (END SECTION ONE)

GREW

DDM

0244

DECLASSIFIED: E.O. 11652, 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

275

FROM

JT

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

TOKYO

Dated September 12, 1940

Rec'd 2:40 p.m.

Secretary of State,

Washington.

825, September 12, 7 p.m. (SECTION TWO)

the Japanese through a majority vote and he invoked the
procedure of the League of Nations in what he referred
to as similar circumstances to support the Japanese
thesis that only unanimous consent could govern. He said
that he considered it unfortunate that the American
authorities had failed to "give an appearance of taking
the Japanese commanding officers into their confidence
at the very beginning." In reply I said that in my
opinion there could be no proper comparison between the
League of Nations procedure to which he had referred, and
I then discussed the vote along the lines of the Depart-
ment's 321, ^{243,1028/2223a} August 23, 6 p.m., the contents of which had
already been brought to the Minister's attention in our
conversation of August 27. This also led to no meeting
of minds.

Four. The Minister then said that today the
Japanese Minister of War, being "extremely irritated",
had

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

276

-2- #825, Sept. 12, 7 p.m., (SEC TWO) from Tokyo

had been on the point of instructing the commanding officer in Shanghai to break off the negotiations when he, Mr. Matsuoka, had asked him to suspend action for "a few days" until he could appeal through ^{ME} to the American Government to agree to what he regarded as a reasonable settlement. He said that if the American forces should march into Sector B he was certain that the Japanese forces would likewise march into that sector and that a serious clash which might lead to war would then be inevitable. He appealed to me to obviate that danger. His proposal is that both Sectors B and D shall

(END SECTION TWO)

GREW

0246

DECLASSIFIED: E.O. 11652, 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

277

RDS

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

TOKYO

Dated September 12, 1940

Rec'd 4:10 p.m.

Secretary of State,
Washington.

825, September 12, 7 p.m. (SECTION THREE)

continue for the present in charge of the volunteer
corps and that if any apprehension as to peace and order
should arise, which he doubts, "let the interested powers
augment the police force and all will work out to the
satisfaction of the residents." This proposal to augment
the police force in case of necessity, the Minister said,
represents only his own point of view. At the conclusion
of the foregoing remarks I pointed out again the reasons
why the continued retention of the volunteer corps on
military duty appears not practicable. The Minister,
however, asked me to report his views to my government
and expressed the hope that a favorable reply might be
received soon because he doubted his ability to hold the
Minister of War in line very long. He did not (repeat
not) say what would happen if the negotiations were broken
off.

Five. In the course of the conversation the Minister
referred regretfully to the "threats" which I had conveyed
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

253

-2- #825, September 12, 7 p.m. (SECTION THREE) from Tokyo.

to him on August 27. I immediately repeated to him with emphasis the messages which I had sent him through the Vice-Minister on September 4 (my request in my telegram of September 4, 11 p.m. and 792, September 4, midnight).
 893.1028/2245 893.1028/2246

Six. Mr. Matsuoka said that he still regarded these two incidents in Shanghai as small local affairs compared to the big issues involving the relations between the United States and Japan. He said that he himself was not responsible for the great accumulation of troubles that had arisen between our two countries before he took office but that he was firmly resolved to settle those.

(END SECTION THREE)

GREW

NPL

0248

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 072

RDS

This telegram must be
closely paraphrased be- **FROM**
fore being communicated
to anyone. (Br.)

TOKYO.

Dated September 12, 1940

Rec'd 3:15 p.m.

Secretary of State,
Washington.

825, September 12, 7 p.m. (SECTION FOUR)

difficulties as fast as he could get at them and he wished through me to appeal to the President and Mr. Hull to accept the assurance that he genuinely proposes to do everything in his power to improve our relations and "to correct past troubles". "Why take a chance of turning these small affairs into causes of irritation and danger to our relations which are bad enough as they are?" he asked. I asked the Minister just how long he had been in office. He said "50 days". I inquired whether he was aware that even during those 50 days reports were steadily coming across my desk of the bombings of American property in various parts of China. The Minister expressed astonishment (in spite of our constant notes to the Foreign Office) and asked me for the facts in detail. I said that I would shortly give him a complete list.

Seven. In the entire conversation no allegation of the Minister was allowed to pass unanswered but in spite of a forceful presentation of our attitude on every point raised I departed with a reluctant sense of complete frustration.

Eight.

0249

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

280

-2- ⁸#225, September 12, 7 p.m. (SECTION FOUR) from Tokyo.

893,1072/2249

Eight. A portion of the Department's 344, September 10, 6 p.m. was received subsequent to my interview with the Minister, but as some sections have not yet come in it seems best to send the present report without delay. I shall therefore await the Department's reply to my present report before acting on Department's 344.

Sent to the Department, repeated to Shanghai.

(END OF MESSAGE)

GREW

NPL

0250

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

291

CONFIDENTIAL

(Confidential)

PARAPHRASE

A telegram (no. 825) of September 12, 1940, from the American Ambassador at Tokyo reads substantially as follows:

By invitation the American Ambassador called, on the afternoon of September 12, on Mr. Matsuoka (Japanese Minister for Foreign Affairs) who discussed for one hour and twenty minutes the question of the defense sectors at Shanghai and the incident of July 7 involving American marines at Shanghai.

Mr. Matsuoka talked at considerable length about the question of the defense sectors and said that it is the feeling of Japanese naval and military authorities in Shanghai that the Defense Committee's decision appears to have been forced on the Japanese by the American authorities by means of a majority vote. In support of the Japanese argument that unanimous consent only could govern he cited League of Nations procedure in what he spoke of as similar circumstances. He observed that he regarded as unfortunate the failure of American authorities to make it appear that they were taking "Japanese commanding officers into their confidence at the very beginning." The American Ambassador thereupon expressed the opinion that the procedure of the League of Nations to which reference had been made could

not

0251

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

-2-

CONFIDENTIAL

not properly be compared with the present matter and he discussed the Defense Committee's vote along the lines set forth in telegram no. 321 of August 23 from the Department which had already been brought on August 27 to the attention of Matsuoka during the course of a conversation. No meeting of minds developed from these comments.

Matsuoka stated next that the Japanese Minister of War who was very greatly "irritated" had, on September 12, been about to give instructions to the commanding officer in Shanghai to stop the negotiations but that he (Matsuoka) had asked the Minister of War to withhold the instructions for a few days until an appeal could be made to the American Government through the Ambassador at Tokyo to accede to what was considered as reasonable settlement of the question. Matsuoka, expressing the conviction that the Japanese troops would also march into Sector B if the American forces should march into that sector and that there would be sure to be a clash which might lead to war, earnestly requested the American Ambassador to prevent that danger. Matsuoka's plan is that for the time being the Shanghai Volunteer Corps continue in charge of Sectors B and D and that, if there should arise (which Matsuoka doubts) any question in regard to peace and order, the interested powers should increase the police force and everything will work out to 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 satisfaction of the residents of the International Settlement. He added that the suggestion to increase the police force if necessary is his own idea solely. After Mr. Matsuoka had made the above remarks, Ambassador Grew enumerated the reasons why it did not seem practicable for the Volunteer Corps to continue on military duty. Nevertheless, Matsuoka requested that his views be reported to the American Government from which he hoped a favorable answer might soon be received as he was doubtful whether he could for very long hold the Minister of War in check. He made no statement as to what would occur in case negotiations were terminated.

In connection with the July 7 incident at Shanghai, Mr. Matsuoka reiterated the allegation which he made previously that a final settlement was about to be arrived at by Major General Miura and Colonel Peck when the Department intervened and caused Admiral Glassford and Colonel Peck to adopt an entirely "adamant" attitude thereafter. As he had stated previously, the American Ambassador replied that this was not as he understood the facts in the case and he then went over the whole case as it is set forth in correspondence of the Embassy with Department and the Consulate General at Shanghai. Matsuoka disagreed with almost every point and the argument which resulted was altogether inconclusive. Matsuoka remarked that a general feeling

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

CONFIDENTIAL

-4-

of irritation and friction is the net result of the negotiations in Shanghai which have at last been terminated.

Mr. Matsuoka referred with regret, during the course of the conversation, to the "threats" which Ambassador Grew had conveyed in his conversation of August 27 to which Mr. Grew replied by immediately and emphatically repeating the messages which he had sent to Mr. Matsuoka on September 4 by the Vice Minister for Foreign Affairs. Matsuoka observed that he was still of the opinion that the two Shanghai incidents above mentioned were small local matters in comparison with the large questions involving American-Japanese relations. He added that, although he was not to blame himself for the large accumulation of troubles that had grown up between the United States and Japan before he became Minister for Foreign Affairs, he was definitely determined that he would settle the accumulated troubles as rapidly as he could get to them and desired to appeal to President Roosevelt and the Secretary of State, through Ambassador Grew, to accept the assurance that he (Matsuoka) really intends to do everything that he can do to "correct past troubles and to better relations between the two countries". He asked "why take the risk of making of these small matters causes of irritation and danger to American-Japanese relations which are already bad enough?" In reply to an inquiry

0254

DECLASSIFIED: E.O. 11652, 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-

inquiry from Ambassador Grew, Mr. Matsuoka said that he had been in office fifty days. The Ambassador asked whether Mr. Matsuoka knew that even during the fifty days since Mr. Matsuoka assumed office there were constantly coming into the American Embassy reports of bombings of American property in different parts of China. Despite the notes which the American Embassy has been sending continuously to the Japanese Foreign Office, Mr. Matsuoka, expressing astonishment, asked for a detailed statement of the facts which Ambassador Grew promised to supply soon.

Although on every point which was raised, Ambassador Grew presented the American attitude forcefully and did not allow any allegation made by Matsuoka during the entire conversation to go unanswered, he (the Ambassador) ended his call reluctantly feeling that he had been frustrated completely.

898.
FE:EC:JPS
9-14

Mr.
FE

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

TELEGRAM RECEIVED

RDS

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

FROM

PEIPING VIA N.R.

Dated September 12, 1940

Rec'd 3:20 p.m.

Secretary of State,

Washington.

323, September 12, 4 p.m.

Department's 140, September 5, 6 p.m. and 145,

September 11, 4 p.m.

This office as a regular procedure air mails to Tokyo copies of all telegrams or code texts thereof in case of confidential telegrams sent from here which might be of interest to Tokyo but in this case as a copy of the letter on which the telegram was based had already been sent to Tokyo by courier (please see Peiping's 301, September 3, 3 p.m.) the Embassy here did not send a copy of the code in full to Tokyo in order to relieve pressure on Tokyo's code room. However, upon the receipt on September 7 of the Department's 140, September 5, 6 p.m. this office immediately airmailed to Tokyo a copy of the code in full of Peiping's 302, September 3, 4 p.m. together with a copy of the code in full of Peiping's 301, September 3, 3 p.m.

SMYTH

NPL

793.34/16176

F/FG

0256

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

HSM

202

FEDERAL ADVISER

SEP 16 1940

PLAIN

TELEGRAM RECEIVED

DEPARTMENT OF STATE
Chungking via N. R.

Dated September 13, 1940

FROM

Rec'd 6:30 a. m.

Secretary of State,
 Washington.

COPIES SENT TO
 O.N.I. AND M.I.D.
 9/13/40 REK

465, September 13, 11 a. m.

Embassy's 463, September 12, 3 p. m., bombing of
 Chungking September 12.

One. Additional small formations of Japanese the
 number of which is not known dropped high explosive
 and incendiary bombs in a downtown section of Chungking
 adjacent to the Kialing River yesterday evening at
 approximately seven forty and eight twenty apparently
 causing inconsiderable damage.

Two. The American representative of the American
 Methodist Mission has informed the Embassy that the
 mission property at Daijiahang (situated adjacent to the
 Kialing River) was seriously endangered and suffered
 minor damages from concussion; one demolition bomb
 falling at the foot of a cliff below the hospital and
 residences badly damaging doors and windows while an
 incendiary bomb falling on a tennis court within thirty
 feet of a residence menaced the entire property (including

two

793.94/16174

7-17-40

793.94

note
 393.1163 M56

RECEIVED
 SEP 16 1940

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

283

hsm -2- No. 465, September 13, 11 a. m., from Chungking

two large hospital buildings, two foreign residences,
a church, pastor's residences, et cetera, which comprise
a large share of the buildings still standing in that
part of the city).

Sent to the Department. Repeated to Peiping,
Hankow, Shanghai. Shanghai repeat to Tokyo. Air mail
to Yunnanfu.

JOHNSON

EMB

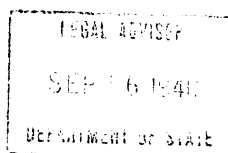
0258

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

TELEGRAM RECEIVED

FROM

ATP



PLAIN

CHUNGKING VIA N.T.

Dated September 13, 1940

Rec'd 10:50 a.m.

Secretary of State,

Washington

COPIES SENT TO
O.N.I. AND M.I.D.
9/13/40 GSK

466, September 13, 4 p.m.

793.94/13173

Ten or more Japanese light bombers and twenty seven heavy bombers bombed Chungking shortly before noon today, the light bombers attacking an area along the shore bank of the Yangtze River adjacent to the Haitangchi bus terminal and the heavy bombers concentrating on the western section of the city.

No (repeat no) reports have thus far been received of injury to American nationals or their properties.

Sent to the Department. Repeated to Peiping, Hankow, Shanghai. Shanghai please air mail to Tokyo. Air mail to Yunnanfu.

JOHNSON

TFV

FILED
SEP 16 1940

F/FG

0255

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

284

TELEGRAM RECEIVED

RDS

GRAY

FROM

SHANGHAI VIA N.R.

Dated September 13, 1940

Rec'd 6:55 p.m.

Secretary of State,
Washington

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

916, September 13, 3 p.m.

793.94/16175

Reference is made to that section of Tokyo's 825,
September 12, 7 p.m. which refers to the July 7 incident
at Shanghai.

In the conversations which I had with Consul General
Miura (my 378, ¹⁶¹⁶⁶ September 6, 2 p.m.) I urged upon him that
we avoid consideration of the two potent obstacles to a
settlement of the July 7 incident, namely (one) the so-
called "Kawabata formula" which he stated might better
be called the "Glassford formula" and which I stated we
might call the "Glassford--Kawabata formula" and (two)
a settlement on the basis of the reply by General Fujita
to Admiral Glassford's letter. I suggested that we seek
another method of settling the incident and that there
occurred to me two methods (one) that General Miura
reply to Colonel Peck's letter of August 3 and (two) that we
revert to the idea of a joint statement by Colonel Peck
and General Miura. Consul General Miura had prepared a
draft

793.94/16179

F/FG

793.94
note
893.1072

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

225

-2- #916, September 13, 3 p.m., from SHANGHAI VIA N.R.

draft statement for Colonel Peck to make during call on
Major General Miura. It follows: "I wish to express
my whole-hearted regrets for our lack of courtesy due to
the detention of the 16 plainclothes members of the
(END SECTION ONE)

BUTRICK

NPL

0261

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

286

JT

TELEGRAM RECEIVED

GRAY

SHANGHAI VIA N.R.

Dated September 13, 1940

FROM

Rec'd 5:05 p.m.

Secretary of State,
Washington.

File

916, September 13, 3 p.m. (SECTION TWO)

Japanese gendarmerie on the 7th of July 1940. I also express deep regrets that the Japanese Army should have suffered insult or loss of prestige due to this incident. We appreciate the action taken by you calling on me on July 7th. I hope that this regrettable incident might be considered as satisfactorily closed." I said that I would be reluctant to submit it to Colonel Peck and Admiral Glassford but would do so if he insisted. He desired that I take that action and I did. They both stated that it was not considered reasonable and was deemed unacceptable. When I later reported to Mr. Miura he seemed somewhat taken back and discussed various angles of the case and seemed to regret that the American side felt that no settlement of the incident could be reached except on the basis of the facts as developed by the marine investigation. He also brought up the matter

of

NOV 1 1940

0262

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

287

-2- No. 916, September 13, 3 p.m. (SEC TWO) from Shanghai

of the difficulty of controlling the sixteen aggrieved gendarmes and the necessity that their commanding officers obtain some sort of redress and so inform them. I stated that I had mentioned this to Admiral Glassford and Colonel Peck and that their rejoinder had been that if 16 American marines were inclined to cause any trouble because of action taken by their commanding officers they would be promptly confined and disciplined. I stated that I had not reported this personal observation of the negotiations to my Government and that I considered it of a private nature and hoped we might continue our conversations until such time as a solution satisfactory to both sides was reached, at which time we could report to our governments.

(END SECTION TWO)

BUTRICK

NPL

0263

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

289

TELEGRAM RECEIVED

RDS

FROM

GRAY

SHANGHAI VIA N.R.

Dated September 13, 1940

Rec'd 5:20 p.m.

Secretary of State,
Washington.

916, September 13, 3 p.m. (SECTION THREE)

Mr. Miura made no commitments. I made a memorandum for the files from which the foregoing is taken:

"Report of the negotiations mentioned in my 896,
September 10, 4 p.m. states that the Japanese army liaison officer, Lieutenant Colonel Utsunomiya, called at his headquarters on September 2 stating that General Miura had not considered the negotiations were out of his hands and that the entry of others into the negotiations has been merely to smooth over the Miura-Peck negotiations and that if Colonel Peck would call on Miura and express the sentiments in his last letter he felt sure that the incident would be closed. Colonel Peck stated that in view of all that had occurred since the incident, particularly violent Japanese press releases and letters, and in view of the fact that he had already called at General Miura's office relative to the incident, he felt that any call which he made on General Miura should be returned. There

WERE

0264

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

289

-2- #916, September 13, 3 p.m. (SECTION THREE) from
SHANGHAI VIA N.R.

were further conversations along these lines on the same day and on the third. To make the remarks of official record and to guard against any abuse of such remarks as he might make to General Miura, Colonel Peck, with my concurrence, felt that the conversations should be along prearranged lines and ^{on} ~~often~~ September 4 (since which time there have been no developments), ^{he} He gave the Japanese the following typewritten suggestion.

"After an exchange of greetings, Colonel Peck will say to General Miura: 'My Dear General,

In view of the fact that you have (END SECTION THREE)

BUTRICK

EMB

0265

DECLASSIFIED: E.O. 11652, 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

RDS

GRAY

290

FROM

SHANGHAI VIA N.R.

Dated September 13, 1940

Rec'd 6:20 p.m.

Secretary of State,
Washington.

File

916, September 13, 3 p.m. (SECTION FOUR)

previously expressed your regrets that your gendarmes entered the American sector without proper authorization and having assured me that it will not recur, I have no hesitancy in stating very clearly that if the Japanese military authorities feel under all ^{the} circumstances of this incident, that the Japanese army has suffered insult or loss of prestige at the hands of the United States Naval Service, then I wish to express my regret that such should be the case. I feel further certain that you will agree with me that in our different methods of affording protection to General Nishio on July 7 we both acted in highest good faith. I can further assure you that at no time has there been any intent to discredit the Japanese army, for which all branches of the American services have a high regard'.

NOV 16 1940

General Miura will then state 'I wish to thank you for your expression of good will and to assure you that I also feel that in our different methods of affording protection

0266

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

291

-2- #916, September 13, 3 p.m. (SECTION FOUR) from
SHANGHAI VIA N.R.

protection of General Mishio on July 7 we both acted in
the highest good faith. And, also, to assure you that the
Japanese services reciprocate your expressions of good will.
I consider the incident now closed.'

Colonel Peck will then say, 'Thank you, General. I,
also, consider the incident closed!'" There have been no
developments since August 4th.

Admiral Glassford and Colonel Peck and I have this
afternoon discussed the matter and we feel that Colonel
Peck's proposal is fair and reasonable and further that
we would not object to such modifications as might be
jointly agreed upon between General Miura or his repre-
sentative and Colonel Peck or his representative.

We do not consider that the negotiations in Shanghai
have been finally broken off and so far as the American
side is concerned there is no feeling of friction or irri-
tation as indicated by the Minister for Foreign Affairs in
Tokyo's telegram under reference. We have conducted our
negotiations in a spirit of good will and have sought and
will continue to seek a fair and reasonable settlement
based, however, on the facts of the case. We have issued
no inflammatory press statements and have done nothing
so far as we are jointly aware to cause criticism of the
Japanese

DECLASSIFIED: E.O. 11652, 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- #916, September 13, 3 p.m. (SECTION FOUR) from 292
SHANGHAI VIA N.R.

Japanese or loss of prestige to the Japanese army.

Sent to the Department. Repeated to Chungking,
Peiping, Tokyo and to Tsingtao for Commander-in-Chief.

(END OF MESSAGE)

BUTRICK

EMB

0268

DECLASSIFIED: E.O. 11652, 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

293

TO BE TRANSMITTED
 X CONFIDENTIAL CODE X
 NONCONFIDENTIAL CODE
 FARTAIR
 "A" PLAIN
NAVAL RADIO

Department of State

Washington,

September 16, 1940.

Collect { Full rate
 Day letter
 Night letter

Charge Department:
 Full rate
 Day letter
 Night letter

Charge to
 \$

AMERICAN CONSUL,

SHANGHAI, KIANGSU (CHINA).

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

This cable was sent in confidence. It should be handled accordingly.

One. Your 896, September 10, 4 p.m. The assumption mentioned in the last substantive sentence in your telegram under reference that the Department's attitude remains unchanged is correct. Please see in this connection the Department's 356, August 9, 5 p.m.

Two. Your 916, September 13, 3 p.m. The Department approves of the attitude adopted by you and the American naval authorities as reflected in your telegram under reference and considers that that attitude is in line with the Department's 356, August 9, 5 p.m., mentioned above.

Sent to Shanghai. Repeated to Chungking, Peiping. Shanghai please repeat to Tokyo.

793.94/16179

FE:GA:OJL:FR

Enciphered by

Sent by operator M., 19

793.94/16179

F/G

DEPARTMENT OF STATE
 COMMUNICATIONS
 AND RECORDS

SEP 16 PM 5 55

DEPARTMENT OF STATE

PA/H

0265

DECLASSIFIED: E.O. 11652, 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)

794

CONFIDENTIAL

PARAPHRASE

A telegram (no. 420) of September 16, 1940, to the American Consulate General at Shanghai reads substantially as follows:

The attitude adopted by the American Consul and the American naval authorities concerning the July 7 incident (as set forth in Shanghai's telegram no. 916 of September 15) is regarded as in line with the Department's attitude (which remains unchanged) and is approved by the Department.

793.94

egc.
FE:EGC:MHP
9/18/40

Kck

FE

11/19/16/17

0270

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

not in file 4-29-42

FE 9-23-42

chg.

CORRECTION

September 17, 1940

In message No. 916, September 13, 3 p.m., Section 3,
from Shanghai, re July 7 incident at Shanghai, page 2,
line 6, delete "often" and insert "on"; line 7 delete
"period".

DIVISION OF COMMUNICATIONS AND RECORDS

793.94/16179

kg. t. F. 2.2.2.
9-26-41

793.94/16179

Correction made on original (File No.

Date

Hour

Name of Clerk

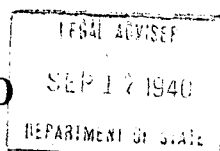
Section Political

NIF catch DCR-793.94/16179 11-24-43

0271

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

TELEGRAM RECEIVED



HSM

FROM PLAIN

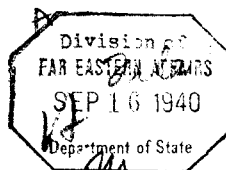
Chungking via N. R.

Dated September 14, 1940

COPIES SENT TO
O.N.I. AND M.I.D.
9/16/40 RSK

Rec'd 8:35 a. m.

Secretary of State,
Washington.



469, September 14, 2 p. m.

Invading planes, the number of which is unknown,
shortly before noon today bombed an area several miles
southwest of Chungking but did not molest the city proper.

Sent to the Department, repeated to Peiping, Hankow,
Shanghai. Shanghai mail to Tokyo. Air mail to Chungking.

JOHNSON

KLP

793.94
793.94/16130

FILED
SEP 18 1940

-/FC

0277

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

HSM

TELEGRAM RECEIVED

Tokyo via Shanghai via N.R.

FROM Dated September 14, 1940

Rec'd 7:45 a. m., 16th

Telegram to Tokyo

Secretary of State.

Washington.

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

837, September 14, 9 a. m.

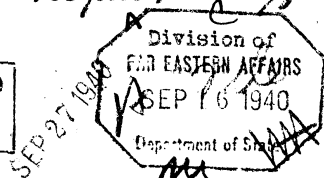
One. On the general subject of the bombing of

American property in China by the Japanese air forces
I yesterday addressed the following self-explanatory
personal letter to the Minister for Foreign Affairs.

"Personal.

My Dear Mr. Minister:

Having understood in our conversation yesterday
that you were not familiar with the continued cases of
bombing of American property in China by Imperial Japanese
air forces, I am taking the liberty of sending you for
your personal information a copy of my official note of
today regarding a particularly flagrant case involving
the ninth occasion on which the same American property
has been bombed by Japanese planes. Your Excellency will
see from the text of my note that the eight previous
instances were duly brought to the attention of the
Imperial Japanese Government and I feel sure that you
will



793.94/16131

MAR 5 1941

OFFICE OF THE SECRETARY OF STATE

793.94
note
393.115

027
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

hsm -2- No. 837, September 14, 9 a. m., from Tokyo

will readily appreciate the deplorable effect upon Japanese-American relations which would inevitably ensue were a case of this nature to come to the attention of the American public.

In connection with the general subject of the bombing of American property in China you may be interested in the data given below taken from our records.

Since the beginning of the hostilities in China there have been brought to our attention approximately two (END SECTION ONE)

GREW

DDM

0274

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

HSM

TELEGRAM RECEIVED

Tokyo via Shanghai & N. R.

FROM Dated September 14, 1940

Rec'd 7:43 a. m., 16th

Secretary of State,
Washington.

837, September 14, 9 a. m. (SECTION TWO)

hundred eighty instances of the bombing of property belonging to American nationals by the Imperial Japanese air forces. As an indication of the fact that these attacks have not abated recently I may cite the fact that approximately twenty-three separate cases of bombing of American property in China have come to our attention during the past three months and that during the time that the present Government has been in office alone twelve separate attacks have occurred involving in some cases very serious destruction of American property. The location of these properties moreover had been brought to the attention of the appropriate Japanese authorities without the responsibility on the part of our Government for the express purpose of avoiding damage to the American property concerned.

Believe me, et cetera."

Two.

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

hsm -2- No.837, September 14, 9 a.m.(Section 2) from Tokyo

Two. The substantive portion of my official note No. 1630 of September 13, 1940 referred to in the above letter reads as follows:

"..... it is difficult to perceive under the circumstances recited about--since the location of the property in question was unescapably known to the Japanese aviators--how the inference can be avoided that at least some of the attacks upon this American property have been deliberate. I must add in this connection lest it be thought that this case of repeated bombing of the same American property in China is unique that the (END SECTION TWO)

GREW

DDH

0276

DECLASSIFIED: E.O. 11652, 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

HSM

FROM

PLAIN

Tokyo via Shanghai & N.R.

Dated September 14, 1940

Rec'd 7:40 a. m., 16th

Secretary of State,
Washington.

837, September 14, 9 a. m. (SECTION THREE)
instances of multiple Japanese bombings of the same
American properties in China have been numerous.

I have the honor to enter a most emphatic protest
on behalf of my Government against this renewed attack
upon the property of the Methodist Episcopal Mission at
Chungking to request that Your Excellency be good enough
to furnish me a prompt report upon this latest flagrant
case to reserve all rights on behalf of the American
citizens and property involved and to point out once
more as I have on many previous occasions to Your
Excellency's predecessors the grave risk to the lives
of American citizens in Chungking and in other parts of
China entailed by these ruthless Japanese air bombings
the damage of which to the property of American nationals
alone is sufficient evidence of their indiscriminate
character.

I

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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

FROM

hsm -2-No.837, September 14, 9 a.m.(Section 3) from Tokyo

I must again emphasize the inevitable and damaging effect upon the good relations between our two countries of a continuation and repetition of such attacks upon the property of citizens of a friendly government which in the present case have reached almost unbelievable proportions.

I avail myself et cetera." *End of message.*

GREW

DDM

0278

DECLASSIFIED: E.O. 11652, 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

HSM

PLAIN

Chungking via N. R.

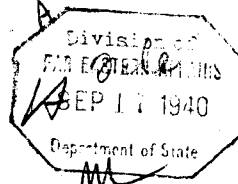
FROM

Dated September 16, 1940

Rec'd 2:14 p. m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.
9/17/40 REX



470, September 16, 2 p. m.

Chungking and environs have experienced the following aerial attacks since transmission of last report (Embassy's 469, September 14, 2 p. m.): (One) A small but unascertained number of planes attacked the western district of the city shortly after nine o'clock on the evening of September 14 apparently causing little damage; (two) small formations numbering nine or fewer heavy bombers in each formation bombed the city and environs at intervals commencing shortly after nine o'clock on the morning of September 15 and lasting until one thirty in the afternoon. The attacks are concentrated chiefly on the western district of the city, the western suburban area, Kiangpeh and an area south of the city with apparently negligible results; (three) a small but unknown number of planes bombed the western and central areas of the city between two and three o'clock on the morning

793.94/16182

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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

hsm -2- No. 470, September 16, 2 p. m., from Chungking
morning of September 16 seemingly doing little damage.
Shortly before and during the noon hour of the 16th
light and heavy bombers in unknown numbers attacked
the western district of the city and an area south of
the city.

No (repeat no) reports of injury to American
nationals or their properties as a result of the above
mentioned attacks have thus far been received.

Sent to the Department. Repeated to Peiping,
Hankow, Shanghai. Shanghai please mail to Tokyo.
Airmail to Yunnanfu.

JOHNSON

TFV

0280

DECLASSIFIED: E.O. 11652, 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 conflict.

Chinese forces have met with a series of successes in Kwangsi and Nanning, which resulted in cutting the Japanese army's food supply off.

jb

795.94/16185

For the original paper from which reference is taken

See Despatch #114
(Despatch, telegram, instruction, letter, etc.)

Dated August 20, 1940 From Saigon (Read at Hanoi)
To

File No. SEE 751.94/98

16185

0281

DECLASSIFIED: E.O. 11652, 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: Political-military developments of
month of May, 1940.

793.94 / 16185

For the original paper from which reference is taken

See #33
(Despatch, telegram, instruction, letter, etc.)

Dated June 5, 1940 From Swatow (Yearns)
To

File No. 893.00 P.R. Swatow/150

16185

DECLASSIFIED: E.O. 11652, 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. Relations with other countries.

1. Japan.

793.74
 a. The Japanese Consul, Mr. T. Takai,
 was absent throughout the month on recall to Tokyo
 and Mr. S. Iguro served as Acting Consul. (Mr. Takai
 returned to Swatow on June 1.)⁽⁴⁾

b. New Japanese Officials. Major
 General Ichiro Iwakuchi has succeeded Major General
 Moto as commander of the Japanese Forces in the Swatow

area

(3) January 1940 Political Report Page 4.
 (4) April 1940 Political Report 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

-4-

area. Lieutenant Colonel Sawa has succeeded Colonel Sato as chief of the political bureau of the military headquarters.

c. Sino-Japanese hostilities. The military situation remained unchanged and it was only during the last week of the month that the sound of machine guns or artillery, audible in Swatow, served as a reminder that hostilities were continuing. These engagements were directed by the Japanese against Chinese guerrillas in several villages northwest of Swatow which the Japanese have either left ungarrisoned or have not yet occupied. Little aerial activity by the Japanese was noted during the month. On May 12 a Japanese military plane crashed while flying over the city and three persons were killed.

0284

DECLASSIFIED: E.O. 11652, 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 conflict: situation report for month of June,
1940.

193.94/16136

For the original paper from which reference is taken

See #37
(Despatch, telegram, instruction, letter, etc.)

Dated July 6, 1940 From Swatow (Yearns)
To

File No. 893.00 P.R. Swatow/151

FRG

DECLASSIFIED: E.O. 11652, 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.

713.94
a. Sino-Japanese Hostilities. There were
no important military operations during the month and

the

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

-6-

the situation remained unchanged. It was reported that 500 and 300 Japanese troops arrived by transports on June 10 and 16, respectively. No troop departures were observed but it is believed locally that whenever such transfers are made the movements occur at night in order to avoid public attention. Electric lights were turned off throughout the city early on the evening of June 27 and on the following day the power plant explained that a piece of machinery had broken and that there would be no current for ten days. The report persisted, however, that there were troop movements on the previous evening and that the military had commanded the power plant to shut down. The power plant was functioning again after one night of darkness and, since at this time the partial evacuation of Hongkong had been ordered, the local rumor was that some troops had been transferred and that the city had been darkened to make the movements less noticeable. (This rumor could not be confirmed, however, and as the number of Japanese troops in this area is already small ----about 5,000----it would appear unlikely that the military would withdraw any forces.)

2. Celebrations. The Japanese authorities inspired a three day celebration on June 20-21-22, marking the first anniversary of the occupation of Swatow. Similar celebrations were staged in Chaochowfu. The local festivities consisted of the usual lantern parades (youthful Chinese participants earning 20 cents), fireworks 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

-7-

the park and much propaganda.

3. Seizure of Junks. There has been a considerable junk traffic between the unoccupied coast and Hongkong, the cargoes being kerosene, gasoline, food-stuffs, rice. During the month armed Japanese trawlers towed a number of loaded junks into Swatow harbor and no doubt confiscated the cargoes.

The statements of an American missionary who arrived from Hongkong at the end of the month also indicated that the Japanese were endeavoring to cut off junk traffic between Hongkong and the mainland. He stated that he had planned to travel to his station at Meihsien (梅縣) via Tamshui (淡水) but that the latter place had been occupied by the Japanese during the last week of June which made it necessary for him to travel via Swatow. He said that travel from Hongkong to Tamshui was formerly made by junk and that it was through this port that the Mission was accustomed to receive its supplies.

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese hostilities: developments of month of June, 1940.

793.94 / 16187

For the original paper from which reference is taken

See # 152 to Embassy
(Despatch, telegram, instruction, letter, etc.)

Dated July 11, 1940 From } Chefoo (Roberts)
To }

893.00 P.R. Chefoo/159
File No. _____

16187

DECLASSIFIED: E.O. 11652, 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) Military Situation:

7/15/94
During the month there were several engagements between the guerrilla forces and Japanese controlled troops in the districts of Chihai, Laiyang and Laichow. Travelers from the interior reported the use of airplanes and the burning of a number of villages by the Japanese forces in these regions.

Under

-
- (2) See despatch No. 149 of June 13, 1940, to the Embassy, Peiping, entitled "Police Regulations Governing Summer Establishments and Services Catering to the United States Navy and Its Personnel".

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

- 6 -

Under a Tsingtao date line of June 9, 1940, the press section of the Japanese Fleet in North China confirmed the report of activities in the northern part of the Shantung Peninsula in the Laichow Bay region. According to this press release, on June 3rd, several Japanese gunboats poured a heavy barrage of shell fire into the town of Shihkiatsui on the shore of Laichow Bay. The town was razed and three days later a Japanese Naval landing party met a detachment of the Eighth Route Army said to have been defending the area and then pushed on to clear the neighboring villages of guerrillas.

Missionaries from the interior reported that on June 13th or 14th, there was an engagement between the guerrillas and the Japanese sponsored forces in Chukiao, about halfway between Lungkow and Laichow. Chinese sources reported that there were 80 guerrillas and 40 Chinese puppet troops killed. An airplane took part in the engagement and bombed villages.

The activities of the Japanese and the Japanese controlled Chinese forces do not appear to have made any great change in the military situation in Eastern Shantung. Motor buses operating between Chefoo and Weihaiwei in one direction and Chefoo and Lungkow in the other still require military escorts in proceeding along the motor road. In the early part of the month seven trucks sold by the Ford Agent to the Ling Lung Gold Mine near Lungkow under military escort travelled from Tsingtao to Lungkow by the way of Laichow, the trip taking about four days.

(b)

0291

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

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(b) Visit of Japanese Army Commander:

During the first week of June, the Japanese Army Commander in North China paid a short visit to Chefoo, perhaps for the purpose of inspecting the newly constructed airfield on the outskirts of Chefoo at Sun Chia T'an. A series of feasts and banquets were given in his honor by both the Chinese and Japanese officials. However, there was very little publicity given to the visit and Japanese officials here denied that any Japanese importance was in the city.

0292

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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 conflict.

General situation regarding - during month of June, 1940.

For the original paper from which reference is taken

See #2762

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

Dated July 22, 1940

From } China (Smyth)
To }

File No. 893.00 P.R./172

88191 / 46.061

12181

DECLASSIFIED: E.O. 11652, 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. Israel:

a. The general situation:

792
6-13
There was considerable military activity during the month, particularly in the north where a large offensive west of the Red River culminated in the capture of Hasi and Tachang. Japanese airplanes continued their work on

and

-
- 16. Tokyo's 457, June 19, 1 p.m.
 - 17. Peiping's 194, June 12, 4 p.m.
 - 18. Chungking's 527, June 13, 3 p.m.
 - 19. Canton's 51, June 11, 15 noon.

DECLASSIFIED: E.O. 11652, 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 -

and indiscriminate raids on Shanghai. Little progress appeared to have been made by the Japanese controlled and China-wei regime at Hankow.

The German victories and the capitulation of France in Europe had immediate repercussions in the Far East favorable to Japan. The Japanese compelled France to stop the shipment of supplies to China through Indochina and to sign an agreement recognizing the "special requirements" of the Japanese forces in the occupied areas of China. Great Britain came to terms with Japan on the Siam question and at the end of the month the Japanese were applying pressure on Great Britain to stop shipments to China from Hong Kong and over the Indian route.

With Great Britain and France more or less impotent in the Far East, there remained, apart from China and the economic situation, only two major obstacles to Japanese designs, namely, Soviet Russia and the United States.

The signing June 9 of an agreement by Japan with Soviet Russia in regard to the delimitation of the Manchurian border was believed in some circles to indicate that the Soviets intended to devote their attention to European affairs for the time being. This left the United States as the principal power to be reckoned with by Japan, and the Japanese appeared to believe that, as a result of the European situation, American attention would be diverted away from the Far East, leaving Japan a free hand in the Orient.

The Japanese press in China gave prominence to a

speech

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

- 2 -

speech by Japanese Foreign Minister Arita on June 10, 1941, in which he was reported to have declared that the destiny of East Asia, including the South Sea regions, was a matter for grave concern to Japan in view of her assumed responsibility as a stabilizing force in East Asia.²⁰ The press devoted considerable space and editorial comment to what was termed a Japanese "Pan-Asian doctrine for East Asia", without, of course, pointing out that the Japanese policy had but little in common with the real Pan-Asian doctrine. The Japanese press also featured the German victories in Europe and denounced Great Britain. Press reports from Tokyo and local editorial comment indicated that Japan had been greatly impressed by the triumphs of the totalitarian powers and might itself adopt a totalitarian form of government.

2. Military operations in North China: 21

Fighting was reported in Hanoi but reliable information was not available. The Japanese claimed that their "mopping up" operations against General Wei Si-huang were being successfully continued and claimed that heavy casualties had been inflicted on the Chinese in southern Hanoi. The Chinese reported June 14 that the Japanese were sending reinforcements to Sui and Chiehhsien, but stated that Chinese forces were still attacking Chinsheng. The Chinese announced June 21 that Japanese reinforcements had arrived north of the Chungtiao Mountains and in southeast Hanoi and further Japanese operations in those areas were expected. On June 23 the Japanese claimed the capture

of

20. Hanoi, Tokyo, June 27.

21. Information furnished by military attaché, July 6.

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

of Hsichang, on the Yellow River in northwest Szechwan; the Chinese admitted fighting in that region.

2. Military operations
in Central China: 22

The Japanese launched an offensive west of the Yangtze River June 1. One column crossed the river near Hsichang and took Shihliu June 6, while another column crossed near Tientsiang and marched west; Hsasi and Shiangling were captured June 6. Further to the north, Japanese troops from Yangchiatai crossed the river and entered Yangyang, Kuangyen and Kichang June 1; the column from Kichang then turned south and reached Linguen June 6. Continuing their advance westward the Japanese captured Yangyang and entered Tchang June 12; fighting in the city continued for two days after which the Chinese retired. The Chinese claimed the recapture of Tchang June 17 but lost it again the next day.

The rapid Japanese advance to Hsasi and Tchang apparently met with slight if any Chinese resistance, even in the advantageous Linguen-Tangyang sector, and the Japanese army thus inexpensively regained the prestige lost during the long operations in Hupeh. The Japanese navy, however, did not advance up the Yangtze in coordination with the army.

It was reported that during the last few days in June Chinese regular troops and guerrilla forces were active north and south of the Szechwan cities and that they broke into several towns garrisoned by the Japanese. It was believed that these operations were designed to

create

22. Information furnished by Military Attaché July 6 and telegrams from Hankow.

23. Hankow's July 2, 9 a.m., to Peking 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

- 10 -

create a diversion in the rear of the Japanese forces operating in western Hubei.

4. Military operations in South China: 24

Military operations which began in the Kungfu District during May were terminated about the middle of June when some of the Japanese forces in that area were withdrawn to Canton. The Chinese claimed to have retaken Kungfu June 12, but it seemed probable that the Japanese operations in that region were designed merely to disperse Chinese concentrations and that the Japanese then voluntarily withdrew to Canton. It was believed that both sides suffered substantial casualties in the course of the operations.

The Japanese began operations along the Szechwan border June 22. A force of about 3,000 troops from Canton landed near Paoan and by the end of the month had completed occupation of the Chinese territory along the border, severing the route over which supplies had been reaching Chinese occupied territory. These operations were apparently timed to coincide with Japanese representations to the British Government in regard to the transportation of supplies to Chinese forces via Hong Kong and Burma.

A Japanese brigade moved southwest from Kiating June 17 toward the Indochina border and, after meeting with some resistance, captured Soulo, Kiating and Chen-nankuan by June 29. (The Japanese claimed the occupation of Chungchow July 1.)

5. Military operations in the occupied areas:

The American Vice Consul at Tainan reported that

the

24. Canton's July 3, 5 p.m., to Heping only (monthly summary) and information furnished by Military Attaché July 6.

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

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the military situation was obscure but that both Chinese and Japanese appeared to be active. A train on the spur connecting the Tientsin-How and Tientsin-Mukden lines was captured June 13 by 8th Route Army forces, the Chinese and Japanese guards being killed. The major and several minor railway "accidents" on the Weingtao-Hinan line were attributed to guerrillas, who also interfered with traffic on the Tientsin-How line. Foreign sources reported that new Chinese troops were being sent into southern Shantung from the west and that two well-equipped divisions had already arrived. Foreign sources also reported a recent serious clash between 8th Route Army forces and troops under Li Shih Yu-san near Weingtao. Japanese reports claimed a minor success against Chinese units in southeastern Shantung. The Japanese also claimed the capture of Swansheng during operations against Chinese concentrations on the Hopsi-Shantung-Honan border.

The American Consul at Chefoo reported that Japanese navy and military units aided by aircraft were active against guerrillas in the Shihhsien, Tsiyang and Tsichow districts, bombing and burning villages without causing any material change in the military situation. Motor buses under military escort operated along the coast from Lungkow to Weihaiwei.

Japanese reports June 12 claimed that Tsuyang, in southern Hopsi, had been occupied and that the latest Japanese operation in southern Hopsi against remnants of the Communist 8th Route Army had thus been brought

to

25. Weinan's July 1 to Tsiping only (monthly summary).
 26. Chefoo's July 2, 4 p.m., to Tsiping only (monthly summary).

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

- 14 -

²⁷
 to a successful conclusion. No such report from independent sources was available.

F. Aerial activities:

The Japanese continued during the month the heavy and indiscriminate bombing of Chungking which came to a temporary halt on June 20. Almost daily bombings by large numbers of planes caused heavy property damage but damage to any military objectives was negligible. The number of casualties was not known but it was believed that, due to the efficient operated siren system, the figure was not as high as it might have been the case. Number of American properties were damaged (see page 2) as were also the Soviet, French and British embassies. Japanese planes on several occasions flew directly over the American Embassy precinct and the American gunboat, one bomb falling on open ground near the Embassy.
²⁸
 three hundred yards from the Embassy.

On June 14 the Japanese authorities warned foreign nationals to withdraw from Chungking, stating that Japanese planes would not bomb certain areas across the Yangtze River.
²⁹
 In reply to the Japanese Foreign Minister's note on the subject, the American Ambassador at Tokyo, under instructions from the Department, stated inter alia that "the Government of the United States cannot accept the view that the city of Chungking in general is a legitimate target for attack", adding that the Japanese Government would be held fully responsible for any injury or loss to American nationals occasioned by acts of Japanese armed forces. The Ambassador also called the attention of the Foreign Office to the indiscriminate character of the

Bombings

27. Wong, "At the Front", June 12.
 28. Chungking's 255, June 11, 3 p.m., et seq.
 29. Tokyo's 450, June 14, 7 p.m.

0300

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

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bombings, which involved the killing of large numbers of civilians without attaining any legitimate military objectives. ³⁰ The War Relocation Authority replied June 12 that Chungking, which was the military and political base of the Chiang Kai-shek regime, was strongly fortified, and that the Japanese military forces would not relax their attack on the city. ³¹

The routine Japanese official assertions that only military objectives in Chungking were being bombed were flatly contradicted by reliable American eye-witnesses, who expressed the opinion that the Japanese were deliberately ³² endeavoring to destroy the city. The Japanese naval spokesman at Hankow was quoted as saying June 5 that the full power of the Japanese air force would be directed at breaking Chinese fighting spirit and that it was therefore inadequate to limit operations to military objectives. ³³ Neutral observers at Chungking reiterated their views that the indiscriminate Japanese bombings of cities far behind the fighting lines, far from breaking Chinese morale, were on the contrary unifying the Chinese people and building up in them a more determined spirit of resistance.

In addition to the bombing of Chungking, the Japanese air force supported ground operations in Szechwan and made raids on various cities in other provinces.

The Chinese air force was comparatively inactive, although Chinese planes bombed Ichang June 23 and 30, ³⁴ causing some damage to American property.

30. Tokyo's 452, June 13, 5 p.m.
31. Tokyo's 463, June 13, 8 p.m.
32. Chungking's 259, June 13, 10 a.m.
33. Hankow's July 2, 9 a.m., to Weiping only (monthly summary).
34. Same as 33.

0301

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

TELEGRAM RECEIVED

EH

FROM

PLAIN

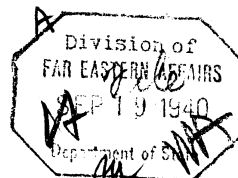
Chungking via N. R.

Dated September 18, 1940

Rec'd 8:30 p.m.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.
9/17/40 REK



473, September 18, 5 p.m.

One. The ninth anniversary of the Mukden incident is being observed quietly at Chungking, the occasion being devoted chiefly to collection by public bodies of funds, garments, etc for soldiers and refugees.

Two. On the eve of the anniversary, General Chiang Kai Shek broadcast an address dedicated in particular to the people of the northeast and in general to all Chinese. Assertion that "The Mukden incident has not only brought chaos in the Far East, but also the present spreading of war all over the world," General Chiang gave assurance that "the deliverance of our thirty million brethren in the northeastern provinces from the yoke of Japanese imperialism has never left the minds of four hundred million people within the Great Wall these nine years". Dwelling at some length on present day conditions of the Chinese race in Manchuria, the Generalissimo summed up the situation as

follows:

793.94/16189

F/FG

793.94

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

EH -2- 473, September 18, 5 p.m. from Chungking.

follows: "Manual labor alone is left for the native sons and daughters". He asserted that as a result of Japanese restriction at the very gates of Mukden, once the storehouse of Manchuria cereals, villages have forgotten the taste of white flour, and he declared that education in Manchuria is limited to the training of "submissive slaves for the Japanese invaders". Addressing his remarks to the people of China proper, General Chiang went on to say "Sacrifice for your country while you can. Our cities and towns are being bombed, our homes and shops burned, and yet to our northeastern brethren, our life is heaven. War zone civilians and frontline fighters are shedding their blood for the defense of the nation. On such an honor are our kith and kin in Manchuria deprived. Should we realize the difference, how much more we could sympathize with our compatriots beyond the Wall! If we hesitate at this critical juncture, we will be sure to forfeit the independence of our nation and the freedom of the future generations". Expressing the conviction that the liberation of the northeastern provinces will begin with the downfall of Japanese imperialism, the Generalissimo concluded in the following vein "On the eve of the ninth anniversary of the Mukden incident, we must one and all realize

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

EH -3- 473, September 18, 5 p.m. from Chungking.

realize that one more day of resistance brings us another day nearer our independence and freedom, one more day nearer to revenge, and one more day toward our reunion with our northeastern brethren. Our sacrifice today is the price for victory tomorrow".

Sent to the Department. Repeated to Peiping.

Peiping please mail to Tokyo.

JOHNSON

NK

0304

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

79394
CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese relations: Military-Political-, for the month
of April, 1940.

For the original paper from which reference is taken

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

Dated May 8, 1940 From Tientsin (Fletcher)
To

File No. 893.00 P.R. Tientsin/144

793.94/16190

16190

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

. Relations with Other Countries.

1. Japan.

793.94
 (a) Japanese Military Operations in North China. The Japanese-controlled press reported on "clean-up" campaigns in progress at various points in Lopoh, Shensi and Chahar during April. "Southern Shensi Spring Campaign 1940" so named by the Japanese on April 17, according to their reports, and fighting continued throughout the rest of the month against Chinese forces under the command of General Wei Li-huan. The Japanese claimed to have ousted the Chinese forces from their headquarters at Ysachow in the mountainous mountains of Shensi and to have occupied Tsaping, Yungchong and a number of other cities in that area. In a surprise attack on Hsifeng, Honan, on April 24th, the Chinese forces succeeded in entering the city, but were expelled the same day by the Japanese. It was reported in April that the Chinese Government rewarded General Fu Tse-yi munificently for his successes against the Japanese forces in the Hanyuan

area

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

area of Suifu in March; Japanese press reports stated early in April that the Japanese forces had been withdrawn to the east of Suifu and in mid-April that attacks on the Chinese forces under General Fu had been renewed by serial raiding.

(b) North China Political Affairs Commission. The first month following the renaming of the Japanese-controlled administration at Peiping witnessed no great change in political and economic conditions in North China. The standing members of the new North China Political Affairs Commission were previously ministers in the Peking Provisional Government. The draft regulations for the functioning of the Commission, now awaiting the expected approval of the "National Government at Nanking", give the appearance that the Commission is directly under the control of Nanking. In fact, however, the Commission in its relations with the Japanese-controlled regime at Nanking seemed to retain to a great extent the independence and autonomy of the Peking Provisional Government.

(c) North China Visit of Tang Ching-wei.

Tang Ching-wei arrived at Peiping by aeroplane from Nanking April 8, on his first visit to North China in his capacity as Acting President of the National Government at Nanking. He conferred with officials at Peiping and at Kelan, which he visited by aeroplane April 9, and returned by air to Nanking April 10. Two days before Mr. Tang's arrival, Mr. Lin Chiao-kun, leader of the China Youth Party at Peiping, issued a statement, published in the Japanese-controlled

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

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controlled SHIN MIN TAO (Peiping), CHUNG KWA SUNG (April 2) and the WANG TAO (Tientsin), strongly criticizing Mr. Tang, his policies and the new "Central Government".

(d) Amalgamation of the Pacification Corps of the Japanese Army with the Shin Min Tui. In an announcement that Yuan \$15,000,000 would be provided in the new fiscal year's budget for the Shin Min Tui, mention is made in the CHUNG KWA SUNG (April 11) of the amalgamation of the Pacification Corps of the Japanese Army with the Association, necessitating an increase in the budget for the Shin Min Tui's expenses.

(e) North China Economic Council's Conference at Peiping. The North China Economic Council, a Japanese organization, held a three-day conference at Peiping, beginning April 16, which was attended by high Japanese officials and advisers from Tokyo, Manchuria, Mongolia, Central China and North China. North China financial, monetary, commodity supply, trade and transportation questions were discussed. At an interview with newsmen in Peiping preceding the Conference, the Japanese Vice Minister is reported to have stated that "the Japanese Government has no intention of suspending linking of Yen and Yuan (Federal Reserve Bank currency) at par."

0308

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

TELEGRAM RECEIVED

HR

CORRECTED COPY

FROM

GRAY

COPIES SENT TO
O.N.I. AND M.I.D.
9/23/40 RAC

Kunming via Chungking & N.R.

Dated September 21, 1940

Rec'd 7:10 a.m., 22nd.

Secretary of State,
Washington.

September 21, noon.

Today's newspapers carry Chairman Lung's interview
with the local press yesterday, which is summarized below:

If Japanese troops pass through Indochina to attack
Kunming their railways in Indochina must be protected,
which would entail the occupation of the country. An
enemy attempt at a diversion in the hope of drawing troops
from defended areas would be futile in the present situa-
tion and will not affect our plans. The Central Govern-
ment has divided the country into military zones each of
which is an independent unit, able to wage war without
assistance from other zones. There are sufficient forces
in the Chungking area to protect that city; Kwangsi has
enough troops for its own defense. Kunming has sufficient
troops to defend the province and we maintain a spirit to
fight independently and need not ask for assistance from
outside the province.

As

FW 793.94/16191

F/FG

0309

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

HR -2- Tel.#-, September 21, noon from Kunming via
Chungking & N.R. (Corrected Copy)

As to the possibility of the enemy using the Kunming
railway as a supply line after invasion of this province,
the necessary repairs could not be effected within a
year's time if military operations were in progress.
Unless the troops and people at Kunming were all puppets
and ^{DOLTS}~~cases~~, such repairs could not be completed under
such conditions. Sent to the Department. Repeated to
Peiping.

UNSIGNED

DDM

0310

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

FE

TELEGRAM RECEIVED

JR

GRAY

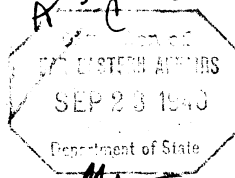
FROM Kunming via Chungking & N.R.

Dated September 21, 1940

Rec'd 7:10 a.m., 22nd.

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.
11/3/40 RAK



September 21, noon.

Today's newspapers carry Chairman Lung's interview with the local press yesterday, which is summarized below:

If Japanese troops pass through Indochina to attack Kunming their railways in Indochina must be protected, which would (?) the occupation not the country. An enemy attempt at a diversion in the hope of drawing troops from defended areas would be futile in the present situation and will not affect our plans. The Central Government has divided the country into military zones each of which is an independent unit, able to wage war without assistance from other zones. There are sufficient forces in the Chungking area to protect that city; Kwangsi has enough troops for its own defense. Kunming has sufficient troops to defend the province and we maintain a spirit to fight independently and need not ask for assistance from outside the province.

As to the possibility of the enemy using the Kunming railway as a supply line after invasion of this province,

the

793.94/16191

F/G

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

-2- September 21, noon, from Kunming via Chungking & N.R.

the necessary repairs could not be effected within a
year's time if military operations were in progress.

Unless the troops and people of Kunming were all (?),
such repairs (?) could be repaired in China". Sent to the
Department. Repeated to Peiping.

UNSIGNED

DDM

Note: Have asked for repetition on (?)'s

0312

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

prw

TELEGRAM RECEIVED

FI

295

EH

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

FROM

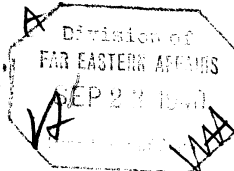
Tokyo via Shanghai and N.R.

Dated September 21, 1940

Rec'd 7 a.m. 22nd.

Secretary of State,
Washington.

Telegram to Shanghai



File

874, September 21, 3 p.m. Shanghai marines incident of July 7.

I called this morning on the Minister for Foreign Affairs and with reference to his remarks to me on September 12 (reported in my 825, ¹⁶¹⁷⁵September 12, 7 p.m. paragraph numbered two) I read and left with him a copy of the text of Colonel Peck's suggestion of September 4 for settling the controversy as well as the final two substantive paragraphs of Shanghai's 1916, ¹⁶¹⁷⁴September 13, 3 p.m. (received in non-confidential code). I said to the Minister that in my personal opinion nothing could be more fair and reasonable than Colonel Peck's proposal as a basis for settling the dispute subject to such modifications as might be jointly agreed upon, and that since the Japanese authorities on the spot have not replied to the proposal, the impression is inevitably conveyed that the authorities do not wish to see the dispute settled. thereupon appealed to the Minister's sense of fair play to take

793.94/16192

F/FG

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

286

EH -2- 874, September 21, 3 p.m. from Tokyo.

take such steps as would bring about a settlement on the foregoing basis subject to such modifications as might be agreed upon. The Minister seemed to be impressed and said that he would do his best to bring about a fair settlement of the incident.

If the Japanese are willing to accept the foregoing solution I venture to hope that the Department will approve. I felt that it was important to indicate to the Minister that in spite of his statement to me of September 12, the negotiations had not been broken off so far as the American side is concerned.

Sent to the Department via Shanghai.

Sent to Department, repeated to Chungking, Peiping and to Tsingtao for Commander-in-Chief.

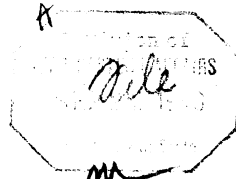
GREW

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

FROM



ATP

PLAIN

SHANGHAI VIA N.R.

Dated September 23, 1940

Rec'd 9:25 a.m.

Secretary of State,
Washington

968 Twenty-third,
743.94/16181

Tokyo's 857, 14th, 9 a.m., repeated to Chungking and
Peiping today at Tokyo's request.

BUTRICK

ESH

as trans. of Chungking

SEP 24 1940
FILED

793.94/16193

F/FG

031

DECLASSIFIED: E.O. 11652, 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

EH

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

FROM

Peiping via N. R.

Dated September 23, 1940

Rec'd 6:55 p.m.

793.94
1070
893.20

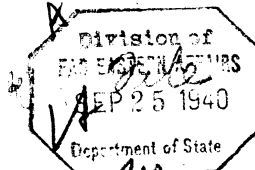
Secretary of State,
Washington.

341, September 23, 3 p.m.

9/25
Show to
C. D. M. D.
N. R.

793.94
- 16154

A well-informed source (see Peiping's 301, September 3, 3 p.m.) has given the Embassy here the following information in regard to developments in North China: the Chinese "communists" have accepted Chiang Kai Shek's terms (see Chungking's 377, August 3, noon) and as a result the Eighth Route Army which was inactive for some months has become active again and will become increasingly so in the near future. He says that the oppressive treatment of Chinese populations in certain (?) of Hopei and Shansi by Communist forces (see Peiping's 99, March 28, 4 p.m.) came to the attention of Eighth Route Army headquarters at Yen-an and that recently the commanders of units concerned have been recalled to Yen-an for education or have been liquidated. These officers have been replaced by men sent from headquarters at Yen-an. Informant states that the Eighth Route Army forces in Hopei under the new officers will devote a month or two to cultivating the local populations in order to



793.94/16194

F/B

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

EH -2- 341, September 23, 3 p.m. from Peiping.

to remove the bad impression created by the former oppressive treatment. At the end of this period the Eighth Route Army in Hopei will undertake a vigorous and general campaign against the Japanese and in particular will attempt to disrupt railways and other communications in the Province. Similar activities will take place in Shansi. (END OF SECTION ONE)

SMYTH

REP

DECLASSIFIED: E.O. 11652, 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

AS

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

FROM

Peiping via N. R.

Dated September 23, 1940

Rec'd 6:53 a.m., 24th

Secretary of State,
 Washington.

341, September 23, 3 p.m. (SECTION TWO).

The informant gave the present strength of Eighth Route Army forces in Hopei as follows: 10,000 due north of Peiping, 10,000 between Peiping and Tientsin; 40,000 or more in eastern Hopei in the mountain region inland from Tangshan and other points along the Peiping Mukden Railway. This force of 60,000 men or more is under the command of Hsiaok'o. Another force of 60 or 70,000 men is located in Southern and Central Hopei and it is in this area that the principal "missionary work" will go on; the troops in eastern Hopei have conducted themselves fairly well. The informant believes that in one or two months this force of close to 150,000 men of the Eighth Route Army will begin coordinated activities and will cause serious trouble for the Japanese. He points out that the activities of Eighth Route Army and other Chinese forces have recently caused difficulties

for

0318

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

AS-2- No.341, Sept. 23, 2 p.m.(SECTION TWO), fr.Peiping.

for the Japanese in Shansi and parts of Hopei. (See
Peiping's 292, August 28, 4 p.m. and 312, September 7,
1 p.m.).

It should be remembered that the above information
originated in Chinese sources and may be optimistic. How-
ever, it is the opinion of competent observers that there
has been a relaxation in the Japanese hold on North China
except in the urban centers and that they will have to
bring in reinforcements to regain the position they once
had in Hopei and Shansi.

Sent to the Department. Repeated to Chungking,
Shanghai. Code text by air mail to Tokyo.

SMYTH

DDM

0319

DECLASSIFIED: E.O. 11652, 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

BJS

GRAY

TOKYO VIA SHANGHAI & NR

Dated September 25, 1940

Rec'd 8 a. m., 26th.

Telegram to Tokyo

A

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

9/26/40

ask

Secretary of State,

Washington

File

LA

VAA

894, September 25, 7 p. m.

Our 874, September 21, 3 p. m., July 7 incident Shanghai.

We were informed this morning by the Foreign Office that following my conversation with the Minister for Foreign Affairs on September 21 he saw the Minister of War and urged that every effort be made to bring about a settlement of this incident. We are now informed that instructions will be cabled in the near future to the Japanese authorities at Shanghai to the end that the negotiations there may be resumed.

Sent to the Department. Repeated to Chungking, Peiping.

GREW

RR

793.94/10193

NOV 16 1940

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. Quate NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 30, 1940

~~TO:~~
~~FROM:~~

~~SUBJECT:~~

Peiping's no. 2737, August 7, 1940, enclosing a copy of a letter setting forth Dr. J. Leighton Stuart's views on the Far Eastern situation should be read in conjunction with Peiping's no. 2320 of August 24, 1940, which encloses further comments on the same subject by Dr. Stuart.

Dr. Stuart, on the basis of his extensive relations with Chinese of all political complexions, believes that the Japanese are striving with all measures at their command to bring the China "incident" to a close. He feels that Chinese resistance is still strong and that the present Chinese leadership can be counted upon to continue resistance. How effective this resistance is, of course, depends upon many outside factors, among them assistance from the United States. He states "everything that I have urged before as to the responsibility and the superlative opportunity of the United States to help in bringing this calamitous conflict to an ending reasonably satisfactory to both countries is being accentuated by day-by-day occurrences".

The President of Yenching University is of the opinion that the conflict in China must continue until the Japanese are forced

even

0321

DECLASSIFIED: E.O. 11652, 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-

even to withdraw from north China. How long this will require "depends chiefly on the outcome of the European War; British, French and American policy in regard to Japanese naval encroachments southward; and American willingness to stop selling vital war supplies to Japan while aiding China in ways that are immensely beneficial to her while costing us virtually nothing".

793.94/16196

50

FE:Davies:HNS

0322

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



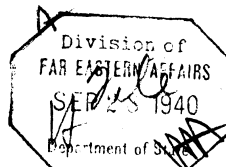
EMBASSY OF THE
 UNITED STATES OF AMERICA

No. 2787

Peiping, China, August 7, 1940.

Subject: Dr. Stuart's views on the
Far Eastern situation.

CONFIDENTIAL



| | | | |
|-------|-----|-----------|-----------|
| Grade | For | File | No |
| | | In U.S.A. | ✓ |
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RECEIVED
 DEPARTMENT OF STATE
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 DIVISION OF
 COMMUNICATIONS
 AND RECORDS

COPIES SENT TO
 ON 11/20/40 ROK

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

Sir:

I have the honor to enclose as of possible interest a copy of a letter dated at Peiping July 6, 1940, addressed to the Board of Trustees of Yenching University by Dr. Leighton Stuart, president of that institution, in which he expresses his views on the situation in China and the Far East in general.

Dr. Stuart appears to believe that for some time Japan has been attempting to bring the hostilities in China to an end, and that the establishment of the

Wang Ching-wei

793.94/16196

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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 -

Wang Ching-wei regime was a "blundering effort to attain this objective". He feels that the Wang Ching-wei scheme has proved a failure but that the Japanese are loath to scrap it and are letting the matter drift for a while. He believes that the intensive bombing of Chungking has had an opposite effect from that hoped for by the Japanese in that it has intensified the Chinese spirit of resistance. He believes that the Japanese hope for a German-Italian victory in Europe, but will watch developments in Europe before deciding on action against British and French possessions in the Far East.

Dr. Stuart feels that the Japanese economic situation is steadily deteriorating and that misgivings and discontent are spreading among the Japanese people, although as yet they are unable to become articulate or effective. He states that Japanese industrialists are anxious to renew the profitable export trade from which they benefited so greatly in the last European war, while the Japanese navy is no less impatient to commence its long anticipated southward expansion. He mentions the ever present Japanese fear of Russia and comments that it must have been disturbing to Japan to have preparations for fighting Russia wasted on an inconclusive campaign in China which was to have been a very minor prelude.

Dr. Stuart expresses the opinion that unless British and Chinese resistance both collapse - neither of which he thinks probable - the Japanese may be expected to renew their efforts for a negotiated peace. He says

that

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

- 3 -

that "everything that I have urged before as to the responsibility and the superlative opportunity of the United States to help in bringing this calamitous conflict to an ending reasonably satisfactory to both countries is being accentuated by day-by-day occurrences".

Dr. Stuart considers that the "final contention will be over the Japanese desire to continue to station troops in Inner Mongolia and North China as part of the 'special position' of this area". He feels, however, that the "present Chinese leadership will never yield on this crucial issue", and that the conflict must therefore continue until the Japanese are driven to make even the concession of withdrawing troops from this area. How long this will require, he believes, "depends chiefly on the outcome of the European War; British, French and American policy in regard to Japanese naval encroachments southward; and American willingness to stop selling vital war supplies to Japan while aiding China in ways that are immensely beneficial to her while costing us virtually nothing".

Respectfully yours,

For the Ambassador:

Robert L. Smyth

Robert L. Smyth
First Secretary of Embassy

Enclosure:

1. Letter of Dr. Leighton Stuart dated July 6, 1940.

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

710 Sino-Japanese/710 Far East/800 Peiping.

RLS/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

(CORRECT COPY - JK)

Enclosure No. 1
Despatch No. 2787,
 from Embassy, Peiping, China,
 dated August 7, 1940 -
 "Dr. Stuart's views on the
 Far Eastern situation".

CONFIDENTIAL

July 6, 1940

To the Board of Trustees:

This will attempt to describe succinctly and with something of the caution which these unpredictable times require the latest trends in Japanese policy. It would not be advisable to quote sources but they are quite dependable. The Japanese have for months past been persistently trying to bring the war in China to a close. They call this peace but what they really mean is the ending of hostilities - something in this case very different. The Wang Ching-wei fiasco was primarily a blundering effort to attain this objective. As they - including its most determined promoters - have gradually realized how futile are all such puppet devices, and the necessity of opening negotiations with those who are resisting them, they have been exploring all possibilities for getting into contact with General Chiang Kai-shek. As one of these, I have ample evidence of their readiness, or more accurately eagerness to do so. The disconcerting discovery that he was unwilling to consider any such approaches on what he knew to be their present basis probably explains their barbarously continuous bombing of Chungking and the thrusts at Ichang and elsewhere. While they are as anxious as ever to come to an agreement with the Chinese Government that will end the fighting, yet they are not ready now to make any counter proposals to what they know to be the unalterable Chinese conditions, for the following three reasons.

- (1) The European War. They had long been hoping for this and for a German-Italian victory. They are not too sure as yet of this nor even of the advantage that this would bring to them. Hitler, flushed with success in Europe, might be intolerant of a rival in Eastern Asia and the Pacific. Japan's hold on the mandated islands and on Shantung might be forcibly shattered. So as to aspirations regarding British, French and Dutch possessions to the south. There are other sobering factors. And Germany might not win. They want therefore to watch the progress of events in Europe before gauging the concessions they may have to make to China. If the indications are sufficiently unfavorable to Great Britain and France they will seize Hongkong and Indo-China before proceeding to the Dutch East Indies. Any such moves are hampered by the China war, but before coming to terms with General Chiang they are observing with intense concern the bearing of events in Europe on their hopes and fears.

(2)

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

- 2 -

- (2) The Wang Ching-wei Issue. They have few illusions left as to this scheme for gaining their objectives through political manipulation as a substitute for military violence. But they are loathe to scrap it. The questionings among their own people would be rather awkward. The loss of "face" anent the Chungking Government would again be very mortifying. Individual militarists and politicians among them would suffer in prestige. For reasons such as these they would much prefer to open informal parleys with Chungking and having reached an understanding let the puppets fade inconspicuously out of the picture. But as against such a procedure they are told that it would be out of the question for the Chungking officials to consider approaches from those who had e-rected and were the sole support of a rival and rebel regime. So they are letting the matter drift a while longer.
- (3) The latest final offensive. They had repeatedly announced to their people that within a given period (of weeks or months) the Chinese resistance would be finally crushed. Recently again they promised that this would be achieved in two months, one of which is nearly over. Hence the incessant bombing of the whole city and environs of Chungking. Hence the massing of troops to drive against Ichang only 350 miles down river from Chungking and therefore a dangerously close airport. Hence the desperate efforts to cut off supplies through Annam (French territory) and Burma. The threatened blockade of Hongkong or even its seizure is primarily at this stage to intimidate England into following France in agreeing to close the Burma route to shipments of war supplies for China. If Chungking finally succumbs they can dictate peace terms more advantageous to themselves. If - as I think is far more likely - the spirit of resistance continues more grimly determined than ever, they may be ready to discuss the terms on which they know that General Chiang will insist, especially since in one or two months from now their people will be wondering why the Chungking Government still survives.

Although they are unwilling now to make counter-proposals, or still less to agree to the removing of all their troops from Chinese soil as the only guarantee of her political independence, yet they want to keep the lines of contact open. That they all are impatient to end the war has long been obvious. But the reasons why even the extremists are becoming so anxious to do so are not quite so clear. Undoubtedly misgivings and discontent are spreading among their people although unable as yet to become articulate or effective. Undoubtedly also economic conditions are growing steadily worse. More positively their industrialists and financiers are restlessly waiting to renew the profitable export trade by which they benefited so greatly in the last European War,

while

0327

DECLASSIFIED: E.O. 11652, 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 -

while their navy is no less impatient to begin its long anticipated southward expansion. There is the ever present fear of Russia. It is disturbing to have preparations for fighting Russia wasted on an inconclusive campaign in China which was to have been a very minor prelude. But the most serious motive would seem to be the reduction in man-power. Their casualties to date must be around a million. Some estimates are higher. In any case they cannot muster enough more troops to replace losses, make any gains in one place except through costly and hazardous shifts from others, and coerce the Chinese into submission by superior force. The Chinese policy has always been to reduce Japanese fighting effectives rather than to hold or recover territory and it seems to be proving its wisdom. Between the ages of 25 to 35 there is now in Japan only 1 man to 18 women. This cannot go on indefinitely.

The Japanese leaders are all expecting the fall of the Yonai Cabinet in a month or so, probably to be succeeded by one organized under Prince Konoye again as Premier. There is a violent struggle in progress between the moderate and extremist elements the results of which will be seen in the composition of the new Cabinet.

They are assuming that Germany will either be able to crush British resistance in the next one or two months or be compelled to give up the attempt within the year. The outcome of the European War thus synchronizes more or less with their own similar attempt to destroy the Chinese will to resist. About the time this reaches you, or soon after, you should be able to form a judgment as to the trend of events as they affect our future. Unless British and Chinese resistance both collapse within that time - neither of which would seem probable - the Japanese may then be expected to renew their efforts for a negotiated peace. Everything that I have urged before as to the responsibility and the superlative opportunity of the United States to help in bringing this calamitous conflict to an ending reasonably satisfactory to both countries is being accentuated by day-by-day occurrences.

I have also pointed out repeatedly that the final contention will be over the Japanese desire to continue to station troops in Inner Mongolia and North China, as part of the "special position" of this area. This is no more than a thinly disguised revamping of the original aim to annex it to their continental empire and of course vitiates the integrity and independence of China. The argument used is for defense against the communism which would after the war take stronger hold in China's northwest, but the real reason is chiefly to protect their huge economic holdings in this area and continue their exploitation. Most of these, such as the railways, mines, factories, are merely plundered from their rightful owners. Others are monopolies enforced by military control wholly for Japanese as against both Chinese and

western

0328

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

- 4 -

western interests. Always and everywhere is the iniquitous but immensely profitable traffic in opium and its derivatives. To concede therefore the withdrawal of troops from this area is to sacrifice everything for which the war was rashly precipitated by the spurious "incident" of July 7, 1937, at the Marco Polo Bridge, some 15 miles from our campus. Their left flank against Russia, colonization projects more promising than those in Korea and Manchuria, economic exploitation, the "face" of the army especially and the shock to their national pride, are all at stake. But the present Chinese leadership will never yield on this crucial issue. The conflict must accordingly continue until the Japanese will be driven to make even the concession of withdrawing troops from this area. How long that will require depends chiefly on the outcome of the European War; British, French and American policy in regard to Japanese naval encroachments southward; and American willingness to stop selling vital war supplies to Japan while aiding China in ways that are immensely beneficial to her while costing us virtually nothing. On these latter issues I hope that every encouragement will be given to the present mission of Mr. T. V. Soong.

Tomorrow the third year of the senseless and destructive war will have passed into history. The broad lines have followed a consistent pattern, deflected temporarily by the startling events in Europe. The fate of Yenching remains inextricably bound up with the ultimate settlement as it affects North China. We can, in the light of experience thus far, probably be able to carry on as long as the world situation remains substantially unchanged. But developments such as have been suggested in this report would have immediate repercussions on us. We would be caught in the swirl of vaster forces than could be controlled by any local relationships. It is with these anxieties and uncertainties that we shall be entering upon our next - and probably most critical - academic year about the time that you will read these lines.

Very sincerely yours,

0325

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

1940 SEP 25 PM 2 14

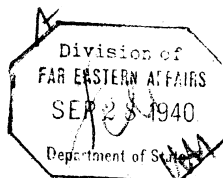
AMERICAN EMBASSY

Tokyo, August 14, 1940.

No. 4916.

SUBJECT: TRANSMITTING MEMORANDUM OF CONVERSATION BETWEEN
THE AMERICAN AMBASSADOR AND THE JAPANESE MINISTER
FOR FOREIGN AFFAIRS ON AUGUST 3, 1940.

COPIES SENT TO
O.N.I. AND M.I.D.
10/1/40 REX



The Honorable

The Secretary of State,
Washington.

S i r :

With reference to the Department's telegram No. 287,
August 1, noon, and to my telegram No. 661, August 3,
5 p.m., I have the honor to transmit herewith for the
1/ Department's information and records a copy of the memor-
andum of my conversation with the Japanese Minister for
Foreign Affairs, Mr. Yosuke Matsuoka, on August 3, 1940.

Respectfully yours,

Joseph C. Grew

Enclosure:

1/ as stated.

810.1

JCG:nn

Original and 3 copies to the Department.

793.94/16197

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

Enclosure No. 1 to despatch
No. 4916, dated August 14, 1940,
from the Embassy at Tokyo.

Conversation.

August 3, 1940.

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

Subject: Shanghai Incident of July 7.

I today made an oral approach to the Minister for Foreign Affairs along the lines indicated by the Department in its telegram No. 287, August 1, noon, and then read to him pertinent portions of the exchange of letters between Colonel Peck and Major General Miura and between Lieutenant General Fujita and Rear Admiral Glassford. I impressed on the Minister the reasonable and restrained attitude and communications of the American authorities as contrasted with the tone and substance of the communications of the Japanese authorities. I impressed upon the Minister the importance of considering the incident closed.

The Minister said he entirely agreed with the desirability of reaching a local settlement and he hoped also that the incident could be regarded as closed. He said that he would immediately take steps in accordance with my representations.

The Minister expressed the view that much of the trouble is based on the impossibility of aligning the Japanese and English languages and the tone and emphasis of Japanese expressions when translated into English.

Japanese

DECLASSIFIED: E.O. 11652, 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 officials often write in a bombastic style and use expressions which to another Japanese would mean very little but which when translated into English convey an impression out of all proportion to the meaning. He said that even today few Japanese understand why exception was taken to Ambassador Hanihara's expression "grave consequences". I replied that some of the expressions used in the Japanese correspondence under reference were far too definite and direct to minimize on the grounds set forth by the Minister.

J. C. G.

Copy of Oral Statement left with the Minister:

The Government of the United States has carefully reviewed the correspondence between the American and the Japanese military authorities at Shanghai who are dealing with the incident of July 7 involving American marines and Japanese gendarmes. The Government of the United States considers that the attitude of the American authorities as reflected in the communications which they have addressed to their Japanese associates and in the reports which they have made to their Government has been consistently restrained and reasonable. Without undertaking to express an opinion with regard to the attitude of the Japanese authorities, the Government of the United States has noted with regret that the tone of and language used in some of the Japanese communications, especially in the letter addressed on July 25 by Major General Miura to

Colonel

0332

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-

Colonel Peck and in the letter addressed on July 28 by Lieutenant General Fujita to Rear Admiral Glassford, are of a character tending to nullify any efforts on the part of the American authorities to effect local settlements of such incidents. Communications of tone and language of the character under reference do not in our opinion afford a basis for profitable discussion looking toward the effecting of local adjustments. If there is no basis for expecting local adjustments such incidents become the subjects of discussion through diplomatic channels and oftentimes become more difficult to settle than if they were handled as local matters by authorities on the spot. From his experience in the United States and his knowledge of the American people, the Minister for Foreign Affairs will readily realize the unfortunate effect upon American opinion and upon American-Japanese relations which would inevitably result should the language under reference used by Japanese authorities in addressing American officials become known to the American public.

As the Secretary of State has already publicly indicated in reply to inquiries by press correspondents, and as a representative of the Japanese Foreign Office is reported to have indicated, it has been hoped that a local settlement might be reached of the incident under reference. We perceive no reason why the letter addressed by Admiral Glassford on July 29th to General Fujita in reply to General Fujita's letter of July 28 should not close the incident in a manner satisfactory to all concerned.

0333

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

-4-

Copies of the following telegrams were left with
the Minister:

- No. 671, July 22, 1 p.m., from Shanghai. (Copy of
official report dated July 22, from Colonel
D. Peck to Major General Miura.)
- No. 712, July 30, 11 a.m., from Shanghai. (Text
of letter from Lieutenant General Fujita to
Rear Admiral Glassford; text of reply from
Admiral Glassford to Lieutenant General Fujita;
Major General Miura's letter of July 25 -
translation sent later.)

0334

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

STRICTLY CONFIDENTIAL.

No. 272.

COPIES SENT TO
C.N.I. AREA
[Signature]

AMERICAN CONSULATE,

Tsinan, China, August 16, 1940.

yes

SUBJECT: JAPANESE PROPAGANDA IN CHINA OR THE
IDEALS WHICH JAPAN OFFERS THE CHINESE
PEOPLE.

Division of
FAR EASTERN AFFAIRS
SEP 28 1940
Department of State

7
RECEIVED
DEPARTMENT OF STATE

The Honorable

Mr. Nelson Trusler Johnson,

American Ambassador,

Beiping, China.

| | | | |
|---------------------------------|--|-------------|----|
| For Distribution Check | | Yes | No |
| Grade | | | |
| For | | In C.S.A. | |
| Handwritten: <i>Handwritten</i> | | C.N.I. FILE | |

With reference to the Consulate's despatch to the
Embassy no. 148 of September 5, 1939, subject: "Anglo-
Japanese Relations", file 800/820.02/702,¹ reporting,
inter alia, the visit to Tsinan of Mr. John A. Pilcher,
a British consular officer formerly stationed in Japan
and now a consul attached to the British Consulate Gen-
eral at Tsingtao, I have the honor to transmit herewith
an extract from a report entitled "The Situation at Tsinan
together with some Observations on Japanese Propaganda",
which was prepared by Mr. Pilcher following his visit to
this city on that occasion.

This report was only made available to me during my
temporary detail to Tsingtao last month. Because of the
changes which have occurred since it was prepared and as
nothing of importance not already reported by this Con-
sulate is contained therein, Section I of the report in
question has been omitted.

It is believed, however, that Section II of the

report

1. Copies of which were sent to the Department.

730.02/10103

0335

DECLASSIFIED: E.O. 11652, 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 -

report, dealing with the idea which Japan has to offer China, as seen through the eyes of a British official with a background of law, age study and experience in Japan, will be of interest to the Embassy and to the Department even at this late date, particularly as the views expressed by Mr. Pilcher tend to corroborate certain opinions voiced in this office's despatch to the Embassy no. 97 of June 19, 1939, subject: "Some Observations on the Far Eastern Situation", file 800 (fourth paragraph et seq.)¹

SUMMARY OF ENCLOSURE.

Mr. Pilcher expresses the belief that sordid sentiments do not necessarily predominate over noble ideals in Japan's dealings with China, and that the influence of such ideals should not be underestimated. He enumerates briefly those institutions which are, or were, common to both China and Japan; religion (or philosophy) and the family system with the state as an extension of the family. Partly in fear of communism and partly in a spirit of evangelizing zeal, the Japanese wish to turn China back to those beliefs once held in common by the peoples of China and Japan, which have been retained by the latter. Japan offers China this prospect: "A Far East firm on its traditional basis embracing all the best that Europe can offer and an end of Western superiority."

Respectfully yours,

Carl O. Hawthorne,
 American Vice Consul.

Enclosure

1. Copies of which were sent to the Department.

0336

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

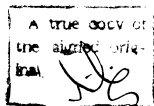
- 3 -

✓
Enclosure:

1. Extract from British Consular report entitled "The Situation at Tsinan together with some Observations on Japanese Propaganda."

800/820.02
COH/KCC

Original to Embassy, Peiping,
5 copies to Department,
Copy to Embassy, Chungking,
Copy to Embassy, Tokyo.



4 *gjm*

DECLASSIFIED: E.O. 11652, 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. 272, dated August 16, 1940, from Carl O. Hawthorne, American Vice Consul at Tsinan, China.

THE SITUATION AT TSINAN TOGETHER WITH SOME
OBSERVATIONS ON JAPANESE PROPAGANDA.

.....
 "II. In the course of lengthy conversations with Mr. Nishida the question of Japanese propaganda or the ideals that Japan has to offer China came up for discussion; the subject was also broached by Colonel Kono. In the face of invasion and the cruelties of war it is a subject which appears too often tragic if not laughable, yet I submit that it is worthy of most serious attention and my small contact with intellectual circles in Japan and in particular with the students of the Kyoto Imperial University would lead me to suppose that sordid sentiments do not necessarily predominate over noble ideals more than is usually the case and that the latter, however mistaken they may appear, should be understood. My experience in Tsinan confirms this.

Confucianism, the family system, the imperial way lend a purpose to life and offer a firm, realistic basis to society; Buddhism, Taoism colour life with a noble and poetic tinge without shattering this realistic basis. Nothing exists apart from the world itself, hence the absolute need of cast-iron order, and yet the world is an illusion; "since I am convinced that reality is in no sense real, how am I to admit that dreams are dreams?" All that the above implies with its emphasis on the family as the natural basis of society and the state as an extension of the family is, or was, common with varying degrees of intensity (in China in a more philosophical and intellectual and in Japan in a more instinctive and intuitive manner) to China and Japan.

Japanese intellectuals, aware of the noble spontaneity and exciting idealism of the West, see little or no firm foundation to Western society in present conditions; they see Christian ethics flouted and individualism in its bad form rampant. Further they see the disruptive and withering features of Europeanism (Toynbee: "A Study of History") eating away the former static foundations of society in China. (To the Japanese Communism is the type of all that is unhealthy in the West; hence the often absurd and exasperating reiteration of the Communist menace to China). They realize that their own power lies in the fact that they have retained their ordered view of life, and, partly in the fear lest a "tainted" and strong China might destroy this all important element and partly in a spirit of evangelizing zeal, they wish to turn China back to her old beliefs. They believe that in Japan they can graft onto this foundation the finer elements of European civilization and they offer this prospect to China: A Far East firm on its traditional basis embracing all the best that Europe can offer and an end of Western superiority based on industrialism and clockwork.

The

0338

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

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Chinese are aware that the West has its own
 line; China for the Chinese with fascism or
 according to taste. They know the force of
 size its power on Western educated Chinese,
 not that what they offer is something
 thing to appeal to all classes and to
 as well as modernists, something that
 Chinese together in a Far Eastern sense
 exciting prospects in the future in
 tion to an imitation of the Western de-

How far the nobility of this ideal is offset by
 ed and corruption is impossible to gauge, yet its
 influence after the first horrors of war are over should
 not be underestimated; it is certainly the ideal of all
 that is best in Japanese youth.

In Tsinsen I gathered that the Kuomintang anti-for-
 eign, nationalistic propaganda is being continued by
 the Japanese as a first step. The Chinese are encouraged
 to indulge in anti-British movements in order to guide
 their nationalism into safe channels and away from Japan-
 ese defects. But, Shantung being the centre of Chinese
 traditions and an object of more than acquisitive veneration
 to the Japanese, Mr. Nishida is determined to employ
 all the idealism I have attempted to sketch and all Japan's
 superior knowledge of Chinese aesthetics and scientific
 grasp of history to win over the people.

Can the influence of mission schools or of Western
 educated Chinese withstand this? Shall we yet live to
 see Japanese missions lecturing an equivalently ignorant
 minority in the slums of Europe?"

0335

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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

1940 SEP 25 PM 2 18

AMERICAN EMBASSY

Tokyo, August 22, 1940.

No. 4934.

DIVISION OF
COMMUNICATIONS
AND RECORDS

SUBJECT: TRANSMITTING MEMORANDUM OF CONVERSATION BETWEEN
THE AMERICAN AMBASSADOR AND THE JAPANESE MINISTER
FOR FOREIGN AFFAIRS ON AUGUST 7, 1940: SHANGHAI
INCIDENT OF JULY 7.

COPIES SENT TO
O.N.I. AND M.I.D.
1944/40 REX



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| Grade | For | Y | USA | ✓ | ONI - |
|-------|-----|---|-----|---|-------|

793.94/16199

The Honorable

The Secretary of State,
Washington.

S i r :

With reference to my telegram No. 671, August 7,
7 p.m., I have the honor to transmit herewith for the
Department's information and records a copy of the
1/ memorandum of my conversation on August 7, 1940, with
the Japanese Minister for Foreign Affairs regarding

the

F/FG

0340

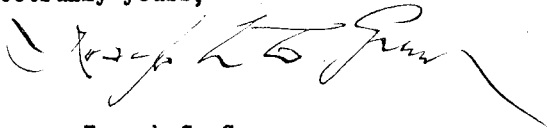
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

incident at Shanghai on July 7 involving American marines and Japanese gendarmes.

Copies given to me by the Minister of the texts of the documents alleged to have been provisionally agreed to by Colonel Peck and Major General Miura are included in the memorandum of conversation.

Respectfully yours,



Joseph C. Grew

✓ Enclosure:

1/ Memorandum of conversation as stated.

810.1

JCG:nn

Original and 4 copies to the Department.

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

Enclosure No. 1 to despatch
No. 4934 dated August 22, 1940,
from the Embassy at Tokyo.

Conversation

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

At my meeting today with the Foreign Minister he referred to my oral approach of August 3 and said that he was now informed that Colonel Peck and Major General Miura in conversations on August 1 and 2 had reached a complete settlement of the incident and that they were on the point of signing when word came from the Department of State that I was taking up the matter here and that they should therefore delay the settlement.

I said that this must be a complete misunderstanding because I had impressed upon the Minister the importance of reaching a local settlement in Shanghai and that I had asked him in effect to "oil the wheels." The Minister said that this also was his understanding and he hoped that appropriate explanations would result in an early closing of the incident. I said that I would immediately telegraph to the Department and to our Consul General in Shanghai.

The Minister gave me copies of the texts of the documents alleged to have been provisionally agreed to by Colonel Peck and Major General Miura. Mr. Matsuoka said that the word "to apologize" in the text of the proposed Japanese press release (chin-sha) is in his opinion a less strong term than the phrase "very deep regrets" in the proposed English press release.

J.C.G.

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

Colonel Peck will say to Major General Miura: "I feel that the detention of the sixteen members of the Japanese Gendarmerie on the 7th of July, 1940 after about 11:30 a.m., at which time they were definitely recognized as Gendarmes until their release about 4:00 p.m., was unjustified and that they should have been released promptly at the time of identification. In this I feel that I was inadvertently in error and I wish to apologize for my lack of courtesy due to detaining the Gendarmes, and to express my wholehearted regrets that the Japanese Army should feel a loss of prestige due to this incident."

Major General Miura will then respond to Colonel Peck as follows:

" - - - - -
 - - - - -

I now consider the incident closed."

Colonel Peck will reply: "I also consider the incident closed."

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

Colonel Peck agrees upon the press release by Major General Miura as follows: "Colonel DeWitt Peck U.S.M.C., feels that the detention of sixteen members of the Japanese Gendarmerie on the 7th of July, 1940 after about 11:30 a.m., at which time they were definitely recognized as Gendarmes, until their release about 4:00 p.m. was unjustified and that they should have been released promptly at the time of identification. In this Colonel Peck feels he was inadvertently in error and he wishes to apologize for his lack of courtesy due to detaining the Gendarmes, and to express his wholehearted regrets that the Japanese Army should feel a loss of prestige due to this incident. The incident is now closed."

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

Major General Miura agrees upon the following press release by Colonel Peck: "Major General Miura, I.J.A., having previously expressed his regrets that the Gendarmes were in the American Sector without proper authorization and having given his assurances that this would not recur, Colonel DeWitt Peck, U.S.M.C., has no hesitancy in stating that he feels that the detention of sixteen members of the Japanese Gendarmerie on the 7th of July, 1940, after about 11:30 a.m., at which time they were definitely recognized as Gendarmes, until their release about 4:00 p.m., was unjustified and that they should have been released promptly at the time of definite identification. In this Colonel Peck feels he was inadvertently in error and he wishes accordingly to express his very deep regrets for this lack of courtesy due to detaining the Gendarmes, and to express his wholehearted regrets that the Japanese Army should feel a loss of prestige due to this incident.

The incident is now closed."

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

DEPARTMENT OF STATE

~~6*~~
~~WAA~~ ~~PAH~~
~~HAH~~
 DIVISION OF FAR EASTERN AFFAIRS

November 30, 1940

Peiping's no. 2320, August 24, 1940, encloses a copy of a letter setting forth information given by Dr. J. Leighton Stuart, President of Yenching University, based upon conversations with a Chinese in Dr. Stuart's confidence who had recently returned from Tokyo where he had interviewed several of the most influential Japanese, including Prince Konoye. Dr. Stuart's impression was that Konoye was preoccupied with internal problems, caused, to be sure, by the hostilities with China. Prince Konoye was at that time addressing himself primarily to the nationalization of material resources and the crushing of organized or articulate opposition. The Japanese form of totalitarian control, in the opinion of Dr. Stuart, involved an enlargement of cartels and the operation of huge semi-private monopolies.

The key to Japanese policy, the President of Yenching University believed, is southward expansion. The only differences in Japanese opinion are those of procedure. The feeling amongst Japanese, as reported to him, was that this movement could not begin until the conclusion of the China affair. The Japanese are disposed to end the war even on China's terms if the Chinese are prepared to cooperate in a southward expansion by Japan.

The

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

The information received by Dr. Stuart pointed to a strong desire on the part of the Japanese to recover American good will, despite an externally truculent attitude. He believed that there is no likelihood of Japan going to war with the United States, at least until she is strengthened by acquisition of territories in China and Malasia.

Itagaki told a trusted representative of General Chiang's, who visited Wang Ching-wei and the Japanese Chief of Staff in China, that total Japanese casualties to date (August 1940) were one and one-half million men and that the hostilities were costing the Japanese one and one-half billion yen per month. These figures surprised Dr. Stuart in the light of the more modest estimates of neutral observers, but he has no reason to doubt the integrity of the man who made these statements. His informant's open movements in Japanese-occupied territory were to Dr. Stuart's mind a startling contrast to an earlier surreptitious and fearful journey to north China, and indicated a Japanese desire to keep every possible channel open to Chungking.

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 FE:Davies:HNS

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

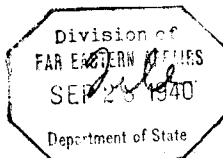


EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2820.

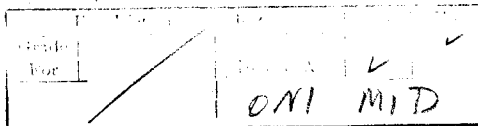
Peiping, China, August 24, 1940.

Subject: Views of Dr. Leighton Stuart on the
Far Eastern Situation.



RECEIVED
DEPARTMENT OF STATE

CONFIDENTIAL



The Honorable

The Secretary of State,

Washington, D.C.

Sir:

I have the honor to refer to this Embassy's
despatch no. 2787 of August 7, 1940 entitled
"Dr. Stuart's Views on the Far Eastern Situation",
with which there was enclosed a copy of a confiden-
tial letter dated July 6, 1940 addressed to the
Board of Trustees of Yenching University, Peiping,
by Dr. Leighton Stuart, president of that institu-
tion, in which he expressed his views on the situa-
tion in China and the Far East in general.

There is now enclosed a copy of a further

letter

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

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letter dated August 20, 1940 from Dr. Stuart to his Board of Trustees, in which he reports on interviews recently held by a Chinese in Dr. Stuart's confidence with several of the most influential Japanese officials in Tokyo, including Prince Konoye. A summary of the enclosed letter will be telegraphed to the Department within the next few days, but it is desired to send a copy of the letter in the Embassy's pouch leaving here today. Dr. Stuart's letter is exceptionally interesting and the Embassy respectfully commends it to the careful consideration of the Department.

Respectfully yours,

For the Ambassador:

Robert L. Smyth
 Robert L. Smyth
 First Secretary of Embassy

✓
 Enclosure:

From Dr. Leighton Stuart,
 August 20, 1940.

Original and four copies to Department.
 Copy to Embassy, Chungking.
 Copy to Embassy, Tokyo.

710 Sino-Japanese/710 Far East/800 Peiping.

RLS/js.

4 *SLN*

0349

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

Enc. No. to despatch No.2820
 August 24, 1940. Personal letter
from Dr. Stuart.

CONFIDENTIAL

C O P Y

August 20, 1940.

To the Board of Trustees:

This is primarily an attempt to share with you a report of interviews very recently held by a Chinese in my confidence with several of the most influential Japanese officials in Tokyo. Their names had best not be given even in so intimate a memorandum as is this. There will perhaps not be found much that is new and whatever value this has will lie in its authentic reflection of the present trends in Japanese official thinking. For assuming, as I do, that there has not been and will not be any change in the Chinese determination or ability to continue indefinitely the struggle for national existence, the question as to when and how this war can be ended becomes primarily one of the attitude of Japanese government leaders, influenced of course at once by the public opinion which they cannot completely mislead or ignore and the course of world events with which they are inextricably involved.

The first impression is that Prince Konoye, who was apparently induced to become Premier again in order to avert a threatened political tour de force, is wholly preoccupied with internal problems. These have been caused chiefly by the China War and cannot be adequately settled apart from it. Even so, the acute nature of these internal issues is engrossing the attention of the Premier. In order to prosecute the military adventure in China there must be a more thorough-going nationalization of material resources together with the crushing out of all articulate or organized opposition. The Japanese form of totalitarian control may tend toward state socialism, or more probably toward the enlargement of cartels and huge semi-private monopolies such as are already common. It is significant, as has been pointed out by the military critic of one of the leading Japanese dailies, that in the war against Russia the whole nation was spontaneously with the government and no such dictatorial methods were needed for a cause in which all believed.

While the advocates of a closer alliance with the Axis-Powers are very vocal yet the impression obtains that even they are not too sure of their contention and others are genuinely worried over the dangers in this course. It is not clear that either Germany or Italy could be of much military or economic help and the consequences from the Anglo-Saxon countries and Russia might prove disastrous. Hence this type of propaganda can be regarded as in the main a stratagem to placate Russia and to circumvent the United States.

The key to present Japanese policy is probably the long-dreamt-of southward or oceanic expansion, with

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

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with the Dutch East Indies as the immediate objective. The intention to undertake this may be taken for granted. Difference of opinion is only as to procedure. It is generally recognized that this cannot be begun until this annoying "China Affair" is wound up. Hence the desperate eagerness to find a way to achieve this. It has led to a feeble imitation of a German Blitzkrieg in some thirty successive aerial bombings of Chungking which have caused much suffering for innocent civilians and must be very costly to the perpetrators but seem otherwise to have had but slight results. The blockade of military supplies through French and British routes and various minor offensives are with the same end in view. The Japanese lack of political sagacity, or of ordinary human sensibilities and humor, is disclosed in the attempts simultaneously to open negotiations with General Chiang Kai-shek. Even military extremists avow their readiness to fly anywhere to meet with him or his representative to discuss peace terms, unmindful of their contemptuous denunciations of him not so long ago. They are disposed even to end the war on China's terms - the withdrawal of their armed forces from Chinese territory south of the Great Wall - on the sole condition that China "cooperate" in their southward push. The advantages to them would consist of: (1) the evidence to their own people that friendly relations with China had been restored, this being the ostensible reason for the invasion; (2) Chinese raw materials and man-power; (3) the goodwill, or at least the neutralizing of active opposition, among the millions of overseas Chinese all through these coveted regions, who constitute a most influential element of the population and are in general notoriously patriotic. That General Chiang would be a party to any such agreement need not be considered for a moment.

It would have to be a tremendously cogent reason that would lead them to relinquish their hold on North China, and even though the Chinese Government were cajoled or coerced into any such bargain it is probable that some pretext would be created for maintaining their garrisons in this region. On the other hand, the only defense they can any longer put forward is the old pretext of a communist menace. The slogans are now confined to insipid and unconvincing reiterations to this effect. As a matter of fact - despite points of friction which undoubtedly remain both in Kuomintang and Communist headquarters and among their respective local groups - the authoritative controlling body of the latter at its most recent meeting unanimously passed a ringing reaffirmation as to maintaining the united front against Japanese aggression in three resolutions

0351

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

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resolutions which should leave no doubt as to their whole-hearted allegiance to the national cause. As I have urged before, Americans to whom communism spells Bolshevism or Soviet Russia should guard against thus interpreting its Chinese counterpart. Left to themselves the Chinese - especially under the wise leadership of Chiang Kai-shek - can be trusted to treat this problem as merely one of internal politics.

The relationship to the United States is giving serious concern in Japan. The traditional friendly sentiment still lingers but is weakening under new tensions. Even apart from urgently practical exigencies the desire to recover American goodwill is sincere and strong. There has never seemed to me any likelihood that Japan would go to war with the United States, at least until vastly strengthened through conquest on the Asiatic mainland or among Pacific Islands. But the bogle is effectively utilized to play upon our known abhorrence of war. As to the southward expansion they desire a trade agreement by which we would be promised fixed supplies of tin, rubber and other products, their own need being primarily for oil.

Economic conditions are naturally worsening but, given a mobilization of all resources, they could supply their people with food and other necessities and, with the help of a managed currency at home and in the occupied areas of China, carry on for some time yet. This is conditioned, however, upon maintaining popular morale or coercing their people into passive endurance. Their anxieties in the economic aspect of the China War are the diminishing gold reserve which seems now to be between four and five hundred million yen, import of war supplies, especially aviation fuel and high-grade tools or replacements for heavy industries, with the lure in the offing of their profitable export trade while the European War lasts - if only they could extricate themselves from the mess in China.

The American action of at long last stopping the sale of aviation gasoline and certain other war materials has immediate and very great benefit in hastening the end of this calamitous invasion. This benefit applies to Japan almost more than to China. I earnestly hope the embargo will be maintained and intensified.

It is noteworthy that the Japanese have prohibited any further investment of capital in North China which would seem to indicate either its shortage or anxiety as to the security of such expenditure, perhaps both. In any case the grandiose paper plans involving hundreds of millions of yen which have been filling their controlled press are in abeyance. There is also a severe restriction

DECLASSIFIED: E.O. 11652, 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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tion on import of Japanese goods into North China, which their attempts at currency manipulation seem to have made unprofitable.

While reporting various items affecting the Japanese outlook I shall add two that came to me through a trusted representative of Chiang Kai-shek who is now in this city. When in Nanking recently he called on Wang Ching-wei (whom he found quite disconsolate) and then on his chief supporter, General Itagaki, former Minister of War and one of the ring-leaders in the whole Manchurian and China aggression. General Itagaki in explaining why this "Incident" must be ended, stated, according to this source from whom I heard it direct, that their total casualties to date were around one and a half million, and that they were spending one and a half billion yen on it each month. These figures are much higher than the foreign military expert estimates though about the same as the Chinese calculations which would naturally be discounted. I was surprised but have no reason to question the integrity of my informant whom I have known for some time. Incidentally, the fact that he, who on previous visits to this occupied zone went secretly and in fear, is now boldly moving about with the full knowledge of the Japanese military is an indication of how eager they are to keep open all lines of possible contact with his chief.

Another relatively trivial and somewhat amusing occurrence which happened here within the past few days will illustrate how utterly futile are Japanese efforts to win by any other than ruthlessly brutal means. An organization exists here under a name which might be translated "Resist Japan by liquidating traitors society". Recently about five of these were assassinated and the efficient Japanese espionage finally tracked down and raided the headquarters. The leader was wounded in a spirited resistance and killed himself after being captured. Lists of intended victims and of members of the Society were discovered, mostly high-school students, and fifty-three students have since been arrested. The majority are children of the well-to-do retired officials whom the Japanese have been able, for one reason or another, to draft into their puppet government. It must be disconcerting to them to learn that the younger generation, even in such circles, is proving irreconcilable. Only two Yenching students seem to have been arrested. One is the grandson of the elderly scholar and high official whom they forced to become "Premier" of Manchukuo, and who having served them thus until he felt entitled to retirement built a new home in Peking

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

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Peking for the purpose only to learn that this privilege was denied him, after which he committed suicide. This boy, a Freshman of last year, has since been released. The other is a girl, a Sophomore of last year, who is still in prison. There are several other girls accepted for entrance here this autumn who are also being held.

Very sincerely yours,

(Signed) J. Leighton Stuart.

Copied:js.

0354

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



EMBASSY OF THE
 UNITED STATES OF AMERICA

No. 654.

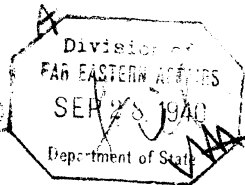
Chungking, September 6, 1940

Subject: Transmission of Substance of Statement
 by Chou En-lai on Present Situation:
 Some Aspects of Kuomintang-Communist
 Relations.

Air mail

1940 SEP 25 AM 10 41

DIVISION OF
 COMMUNICATIONS
 AND RECORDS



ONLY MID

DEC 10 1940

793.34/16201

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

1/ I have the honor to enclose as of possible
 interest to the Department the substance in trans-
 lation of a statement attributed to Mr. Chou En-lai,
 prominent Chinese communist leader, which appeared
 in the September 4, 1940 issue of the Ta Kung Pao,
 in regard to topics of pressing interest to China
 at the present juncture. In passing, it may be
 well to say that Mr. Chou, who has played a promi-
 nent part in Kuomintang-communist negotiations which
 have been held during the past several months, has
 just returned to Chungking from a hurried trip to
 Yen-an, where he is reported to have presented the
 results of the negotiations held at Chungking for
 the consideration of the communist authorities.
 Current reports are to the effect that although an

understanding

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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 -

understanding has been reached on the more important points looking to future cooperation between Chungking and the communists, no definite agreement has been signed. In any event, contrary to Japanese propaganda, practically all observers in Chungking agree that relations between the Chungking authorities and the Chinese communists have never been more satisfactory than at present.

Mr. Chou, who is usually reticent in his relations with the press, discusses in his interview with the Ta Kung Pao (1) current Chinese military activity in Shansi, Hopei and Honan, and (2) possible future Japanese military, political and economic moves and Chinese counter measures. In relation to the first point Mr. Chou observes that the present operations in the north are well-planned, widely extended and designed to be prolonged with a view to preventing a crossing of the Yellow River and a diversion of enemy troops for a campaign in the south. With regard to the second point, Mr. Chou observes that the Japanese are likely to launch further military operations with a view to liquidating the "China incident", but he opines that an attempted Japanese attack on Chungking will meet with great difficulties--greater difficulties than the Japanese advance on Hanow which was achieved only at a very heavy cost in manpower and materials. Mr. Chou also refers to the possibility of a Japanese attack by way of Indochina and asserts that China must advance to meet the enemy in Indochina. He likewise perceives the possibility of a Japanese advance into the South Seas area, in which event pressure on China might be released. He regards the present situation optimistically, especially, he says, since the "will to resist has been strengthened" and Chinese "unity has become more firm under the guidance of the Leader" (the Generalissimo).

It would appear, and this is of much importance, that the Chinese communists continue to give full support to General Chiang Kai-shek in his policy of resistance; as long as the communists cling to this policy, and they have professed all along to do so, the prospects of a serious rift between Kuomintang elements at Chungking and the communists at Yen-an seem remote, although it is probable that the elimination of local disputes and clashes here and there cannot be entirely achieved.

The attacks launched on Japanese communications in north China are believed to possess more than the usual significance attached to activities of this sort. These operations, which commenced on August 20, 1940, are being carried out by the Eighteen Route Army (former Eighth Route Army) under the command of Generals Chu Teh and Peng Teh-huai, reportedly at the direction of General Chiang Kai-shek. The fact that the Chinese communist forces have come to life after more than eighteen months of relative inactivity may be presumed to afford another rather conclusive manifestation of Kuomintang-communist cooperation at this time. It may also be taken to

indicate

0356

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

AIR MAIL

- 3 -

indicate that the Chinese high command, which is alive to the strategic importance of north China, has no intention of abandoning that area notwithstanding Japanese plans which apparently envisage permanent Japanese military and economic control thereof. In another sense, it appears to represent a turnover on the part of the Chinese from the defensive to the offensive military concept, an action which may prove of incalculable significance if coordinated properly in the face of a concentrated Japanese assault on the Chinese base of resistance in Szechuan.

Summary. In an interview Chou En-lai expresses optimism in relation to the present situation in China. Mention is made of the present operations in north China and of possible future Japanese moves. Kuomintang-communist relations are viewed as satisfactory in the light of recent developments.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson

Enclosure:

- 1/ Substance in translation of interview given by Chou En-lai.

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

800

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 to despatch no. 854 dated September 6, 1940 from American Embassy at Chungking on subject of "Transmission of Substance of Statement by Chou En-lai on Present Situation: Some Aspects of Kuomintang-Communist Relations".

SOURCE: TA KUNG PAO

Chungking, September 4, 1940

"The counter-mopping up campaign in the north is being continued. Since this campaign is widely extended, communications on five railways - Tientsin-Pukow, Peiping-Hankow, Peiping-Suiyuan, Chengting-Taiyuan and Tatung-Puchow - and on 11 highways have been obstructed by us, especially in the case of the Chengting-Taiyuan Railway, which has been entirely cut. This campaign is planned and organized and envisages prolonged guerrilla warfare aiming at containing the enemy's strength and causing them to be unable to make preparations for crossing the (Yellow) River or to spare any forces for a southward advance.

"Since my arrival in Chungking, there has been rumors in circulation that the enemy will launch an "autumn offensive" with their main force concentrated on the Szechuan front. I consider it possible that the enemy may launch military attacks in conjunction with political machinations and an economic blockade, as the enemy's diplomacy after the organization of the Konoye cabinet inclines toward the German-Italian axis and as settlement of the "China affairs" is a pre-requisite for the enemy's southward expansion. However, the enemy are unable to expand or contract as they wish owing to geographical restrictions and lack of military strength. From Ichang (Hupei) to Chungking is different from Wuhu (Anhui) to Wuhan (Hankow). Unless several hundred thousand men are employed the enemy will not be able to make a flanking advance along the north and south banks of the Yangtze. If our Leader (Chiang Kai-shek) orders offensive operations on the various fronts, the enemy's attempts are bound to fail.

"In the southwest, the enemy obviously wish to cut off our international routes. The enemy seem quite anxious to make this attempt. That the talks in Indochina between Japan and France will enter the second stage - aggression - has been gradually revealed. As stated above, the entire attempt of the enemy requires our unanimous action to crush it. If the enemy attack Indochina, therefore, we will have to fight them in Indochina with adequate strength. As I estimate it, the enemy may adventure southward and reduce pressure on us if we can fight half a year when conditions as a whole will of necessity have some change. The outlook is, in general, optimistic.

"In our country, the will to resist has been strengthened and our unity has become more firm under the guidance of our Leader. Such questions as commodity prices will naturally be settled under the primary condition of persistency of armed resistance."

0358

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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

Attitude of the Penang community for China and the
necessity for concluding the Burma Road Agreement with
Japan.

For the original paper from which reference is taken

See Vol. Report#-
(Despatch, telegram, instruction, letter, etc.)

Dated Aug. 16, 1940 From Penang
TH/ (Minnigerode)

File No. 846d.00 P. R./79

793.94

793.94/16202

16202

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

Increased sympathy for China, coupled with regret at the necessity of concluding the Burma Road Agreement, was the prevailing sentiment of the Penang community during the month.

While a certain amount of severe criticism was uttered by the extreme elements, many of the more responsible and prominent members of the local Chinese community were of the view that the closure of the Burma route was unavoidable in view of Britain's pre-occupation.

In an editorial entitled "China will not be crippled" appearing in the Pinang Gazette of July 19, it was stated:

"While the Anglo-Japanese agreement on the Burma route is bound to cause some disappointment among Chinese circles locally as well as in Chungking, there are two factors to be considered in assessing the new situation. In the first place, it cannot be sufficiently stressed that the closure of the route will be only temporary and as it is to take effect during the wet months of July-September when, in any case, the road is usually closed, the significance can hardly be great.

Britain is now fighting alone. She is at death grips with her enemy and cannot therefore be distracted or diverted from her purpose. While supplies reaching China through Burma are largely, if not wholly American - the criticism of the American press is quite understandable in this respect - the stoppage of these materials will be offset by the increasing supplies sent to Chungking direct from Russia. There is no danger, therefore, of China being crippled. Whatever deficiency in arms she is likely to suffer from as a result of the closure of the Burma road can easily be remedied by the war supplies now reaching her through direct lines of communication with Soviet Russia." --- Pinang Gazette, July 19, 1940.

0360

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

TELEGRAM RECEIVED

McC

GRAY

FROM Tokyo via Shanghai and N.R.

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

9/30/40

EEK

Dated September 29, 1940

Rec'd. 4:10 p.m.

Telegram to Tokyo

Secretary of State,

Washington.

918, September 29, 4 p.m.

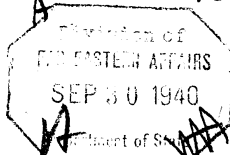
Our 894, September 25, 7 p.m., July 7 incident

Shanghai.

The Minister for Foreign Affairs conveyed to me last evening a statement marked "oral", setting forth the views of the Japanese with regard to the settlement of this incident. The statement is transmitted without comment as follows:

"Oral. The formula suggested by Colonel Peck on September 4 did not meet the approval of the Japanese authorities on the spot, because in the suggested formula the regret was to be expressed only on a supposition 'if the Japanese military authorities feel (***) et cetera' (see Shanghai's 916, September 13, 3 p.m.).

The Japanese Government concur with the view of the local authorities that the formula presented by Consul General Miura on August 20 is the most adequate one for solving



793.94/16203

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

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-2-, Tel. 918 from Tokyo

the matter in question. It is at least indispensable to include into the formula the phrase "deep regrets for our lack of courtesy etc."

It is the belief of the Japanese Government that if the American authorities are willing to express the frank and unconditional regrets such as the ones expressed by General Miura at the outset of the incident, there ^{be} will/no doubt in arriving at an amicable solution of the matter.

The view of the Japanese Government mentioned above has been communicated to Minister Horinuchi at Shanghai". Sent to the Department via Shanghai.

GREW

CSB

0362

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

300

TELEGRAM RECEIVED

FROM

AC

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

Chungking via N.R.

Dated September 28, 1940

Secretary of State

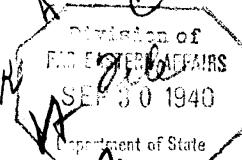
Washington

489, September 28, noon.

One. The Counselor of the Embassy on September 26 paid a farewell call on Chang Chun, Secretary General of the National Defense Council and newly organized National Planning Bureau, and asked him for his appraisal of China's present position internationally and internally.

Two. Informant's views in brief were as follows:
Internationally it is very important for China that the Soviet Union, Great Britain and the United States should draw closer together and coordinate their measures to curb Japanese expansion. Japan cannot embark on a serious program of territorial conquest until the hostilities in China have been successfully concluded. It is true that all three powers named have given aid to China and have thus contributed to the success of China in resisting Japan but this help has to date been indecisive in amount and effect and although

China



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

301

- 2 - #489, September 28, noon from Chungking

China could carry on resistance for another year or two on
the past scale without increased aid from the outside,
China's final victory would be (?). (END SECTION ONE)

JOHNSON

WWC

0364

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

TELEGRAM RECEIVED

302

AS

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

Chungking via N. R.

Dated September 28, 1940

Rec'd 7 a.m.

Secretary of State,

Washington.

489, September 28, noon. (SECTION TWO).

Three. Soviet Russia attaches great importance
to consolidation of its influence in the North Pacific
which is jeopardized by Japan. Consequently Moscow
might be willing to give Japan free rein in China and
southward for recognition in the North Pacific. This
possibility is feared by China and should be noted by
the United States. The United States is, however,
Japan's eternal rival in the Pacific area and he hoped
that the American Government would, by friendly con-
sultation with Moscow, ward off a Russian-Japanese deal
of the sort described and in coordination with Russia
and Great Britain would extend really decisive assis-
tance to China in resisting Japan this being an immed-
iately available and effective way in which to curb
Japan's expansion southward. He deprecated two views
prevalent

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

303

AS-2- No.489, Sept. 28, noon. (SEC.TWO), fr. Chungking.

prevalent in the United States as being quite unwarranted, firstly, that the American interests involved in the outcome of the Chinese-Japanese hostilities are negligible and, secondly, that even without American or other assistance China is bound to win in the long run. A Japanese victory would enlarge immeasurably the threat to American interests in the Pacific region and China is at present without the financial resources to stage an effective counter-attack and expel Japanese forces.

(END SECTION TWO).

JOHNSON

TFV

0366

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

TELEGRAM RECEIVED

305

FROM

ATP

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

CHUNGKING VIA N.R.

Dated September 28, 1940

Rec'd 5:45 a.m.

Secretary of State,

Washington

489, September 28, noon. (SECTION FOUR)

Five. It may be added that recently Chiang Kai Shek
likewise informed the Counselor during a farewell visit
that he earnestly hoped that the United States would help
China meet its currency problem since this was fundamental
in the whole military and political scheme. He asserted
positively that if the Government could finance itself
adequately it could be assured ultimate military success

Sent to the Department. Repeated to Peiping. Air
mail Tokyo. (END OF MESSAGE)

JOHNSON

TFV

0367

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

TELEGRAM RECEIVED 304

EH

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

Chungking via N. R.

Dated September 28, 1940

Rec'd 9:50 a.m.

Secretary of State,

Washington.

489, September 28, noon (SECTION THREE)

Four. Internally, China has two ominous difficulties:
inadequate Government revenue and a depreciating currency.
Obviously each (?) (?) the other. The Chinese Government
is obliged (?) (?) revenue by issuing currency backed by
expenditures are daily increasing with currency deprecia-
tion. This depreciation however is largely a matter of
popular distrust of the currency and if the American
Government were to see its way to granting China some
sort of financial aid in support of the note issue the
resulting popular feeling of reassurance would have power-
ful and favorable effect in lessening the Government's
financial difficulties. He did not presume to say what
form such assistance might take since he is not a financial
expert. (END SECTION THREE)

JOHNSON

EMB

Repetition requested on above garbled groups.

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

TELEGRAM RECEIVED

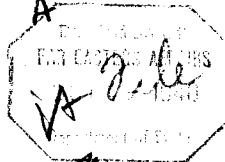
308

CORRECTED COPY
FROM

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

Chungking via N.R.
Dated September 28, 1940
Rec'd 9:50 a.m.

Secretary of State,
Washington



489, September 28, noon (SECTION THREE)

Four. Internally, China has two ominous difficulties:
inadequate Government revenue and a depreciating currency.
Obviously each phenomenon accentuates the other. The
Chinese Government is obliged to supply deficient
revenue by issuing currency and its expenditures are
daily increasing with currency depreciation. This
depreciation however is largely a matter of popular
distrust of the currency and if the American Government
were to see its way to granting China some sort of
financial aid in support of the note issue the resulting
popular feeling of reassurance would have power-
ful and favorable effect in lessening the Government's
financial difficulties. He did not presume to say what
form such assistance might take since he is not a
financial expert. (END SECTION THREE)

JOHNSON

TFV

F.W. 793.94/16204

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SEP 28 1940

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 659. Chungking, September 10, 1940

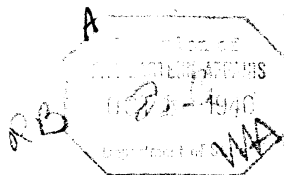
Subject: Bombing of Chungking on July 31
and August 9, 11, 18, 19, 20 and
23, 1940.

Air mail

RECEIVED
DEPARTMENT OF STATE

1940 SEP 30 AM 10 18

DIVISION OF
COMMUNICATIONS
AND RECORDS



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RECEIVED
DEPARTMENT OF STATE

SEP 13 1940

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

In continuation of my despatch no. 600, July 17, 1940, and in amplification of my telegrams nos. 375, August 1, 3 p.m., 391, August 10, 10 a.m., 395, August 12, 5 p.m., 406, August 20, 11 a.m., 411, August 21, 12 noon and 419, August 23, 1 p.m. reporting briefly on the continued Japanese aerial bombardment of Chungking on July 31, August 9, August 11, August 18, August 19, August 20 and August 23, 1940, I have the honor to submit the following additional details and comments in regard to these attacks.

Summary. Chungking was heavily attacked on August 9, 11, 19 and 20, property damage resulting from the conflagrations of the latter two raids exceeding any yet experienced in the bombings of Chungking. But it

would

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

AIR MAIL

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would appear that militarily and morally the Japanese gained little if anything from the bombardments which, by their deliberate and wanton character, have served to convince the average native of the necessity of supporting the authorities in the campaign of resistance.

July 31: Between July 18 and July 31 there was a period of rain and poor visibility, with the result that the Japanese air force was comparatively inactive in Szechuan and other western provinces. However, July 31 dawned clear and at an early hour the alarm was signalled. Shortly after noon two squadrons of Japanese planes totalling about forty-five machines appeared over Chungking, dropping bombs in the western and southern sections of Chungking. Casualties and property damage were slight; American-owned property was not affected in the bombardment. According to the press, other squadrons of Japanese planes on the same day bombed Peipei, Tungliang, and Fowchow, small cities in the vicinity of Chungking. Little damage was sustained at Peipei, according to an observer on the spot, but reports were not forthcoming from the other cities. Chinese fighter planes were observed to be offering stiff resistance to the invaders and the press subsequently reported that five Japanese bombing planes were brought down.

August 2: Again, presumably owing to poor visibility, Chungking was not subject to Japanese aerial molestation between July 31 and August 9. However, on August 9 the Japanese resumed their attacks, singling out the transportation terminal of Haitangchi, which is located on the south bank of the Yangtze River just upriver from the so-called "safety zone" as the chief target of attack. A large number of explosive and incendiary bombs was dropped in this area, destroying jerry-built shop and residential structures and blasting holes in the fields and hillsides covering an area of roughly one-half square mile. It appeared that no objects of a military character were destroyed, although a tung oil dump comprising at least two thousand piculs of oil was ignited and destroyed. Casualties in the Haitangchi area, all civilians, numbered about 100. Although the Chinese press and apparently some foreign correspondents made much ado about the dropping of bombs in the Japanese-designated safety zone, a rather nebulously defined area at best, it appears that no bombs fell nearer than seventy-five or a hundred yards from the nearest (to Haitangchi) foreign-occupied house which may be reasonably presumed to be the southern limit of the safety zone. A few bombs fell near the western end of the north suburb of Kiangpeh, but so far as Embassy observers could make out no appreciable damage was caused. Other groups of planes bombed the lower commercial district and the western area. Numerous incendiary missiles were loosed in the downtown area, starting several fires. A block of shop-residences was destroyed

before

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before the largest conflagration was brought under control; the large Y.M.C.A. building received a direct hit, starting a fire which was extinguished with some difficulty. The western district of the city was also attacked, with the American-owned Chungking High School property apparently the focus of the invading planes. No less than six demolition bombs fell on the campus of the school, wrecking and damaging several substantial buildings. An estimate of losses has not yet been submitted to the Embassy but it is believed that it will run into substantial figures. Casualties in the city are estimated to have numbered about 100 persons, or a total of 200 for the day. There was considerable aerial combat but insofar as Embassy observers could note it proved indecisive.

August 11: Three groups of Japanese bombers numbering about ninety planes attacked Chungking during the afternoon of August 11, releasing bombs over such widely-scattered areas as Kiangpeh--the northern suburb--the central business district, the western district and the area immediately upriver from the Haitangchi bus terminal on the south bank of the Yangtze River. It appeared to Embassy observers that little material damage was caused, although the large cement plant on the south bank was put out of action for several days. The raid in the Kiangpeh area appeared to be particularly ineffective, inasmuch as the great majority of the bombs released in that area exploded in open fields, throwing up huge clouds of dust. Apparent attempts to destroy the Chungking power plant failed yet once again, although it may be remarked that the general neighborhood of the power plant has virtually been razed to the ground. Casualties were negligible. Considerable aerial combat was witnessed over the city, about thirty Chinese pursuit planes attacking the invading formations. Although no planes were observed to fall in the vicinity of the city, the press stated that five invading bombers were destroyed and six others badly damaged.

August 18: The first moonlight raid of the year occurred at 2:30 a.m. when a small but unknown number of Japanese planes dropped several bombs in the downtown area, causing negligible damage. American property was not affected.

August 19: Commenced with a moonlight raid at 1:45 a.m. and lasting until almost 2 p.m. a total of four separate aerial attacks was carried out by about eighty-five Japanese bombing machines. A wide area was attacked, bombs falling in Kiangpeh, in the western district and in the south-central business district. The latter district bore the brunt of the attack, as more than thirty separate fires ignited by incendiary bombs destroyed row after row of flimsy houses, mostly constructed of wood, mud plaster and other cheap materials. The last of the conflagrations was not brought under control

until

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

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until late at night, thus leaving a considerable area in the heart of the city a scene of utter desolation and gaunt ruins. Various buildings housing units of the Military Affairs Commission were damaged by concussion or fire during the course of the raid; so far as could be ascertained no other objects of a military character were damaged. The Lewis Memorial Institutional Church of the American Methodist Mission was destroyed by fire as a result of the attack.

August 20: The fires of the disastrous raid of August 19 were scarcely dampened when on August 20 Japanese planes launched another large-scale attack on the city and environs. Embassy observers counted approximately ninety-six planes which operated in three separate units and which unloaded their bombs in separate and distinct areas. The first and largest group approached the city from the east, flying over the Japanese-designated safety zone. Having been released with considerable accuracy the bombs started many large fires in the down-town business section across the river from my residence and the Embassy premises. The fires spread throughout the afternoon and burned far into the night. The difficulties of firemen, who performed heroically under incredible conditions, was enhanced by the springing up of a brisk wind and the dryness of the buildings, there having been no rain for many days. Casualties were among the heaviest of the year. From the point of view of property damage, which was confined almost wholly to shop-residence structures and institutional properties, losses were undoubtedly the heaviest yet suffered in the two years of aerial bombardment of Chungking. An area perhaps one mile square in the heart of the business section was laid waste in the bombing of August 19 and 20, and the Mayor of Chungking has estimated as a result of the two raids 30,000 people were rendered homeless and 8,000 chien (rooms) of buildings were destroyed. An excerpt from a news release of The China Information Committee* describes the destruction with accuracy:

"From Chiao-chang-kow down to the Yangtze there was a sea of ruins. Tuyukai, which before the May 4 fire last year formed an important part in the business section and later regained some of its lost prosperity was further diminished. With the exception of a short block of some 20 houses on both sides, the entire street had been laid waste. Hsiao-liangtse, which like a serpent winds its way from Tuyukai down to the banking street, and used to be a busy shopping and restaurant center, also presented a scene of utter destruction."

"The street of Taliangtse which runs parallel to Hsiao-liangtse may remain on the map of Chungking, but in reality it has ceased to exist after the recent bombings. All shops, hotels, hardware stores, restaurants and amusement houses which once lined the street have been completely snuffed

out

*Volume III, no. 16, August 28, 1940.

0373

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

AIR MAIL

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out by the all-consuming flames. Not even was the Changan Temple, an ancient Buddhist monastery, spared. Its spacious halls have all crumbled with only its major Buddha still remaining in his elevated dais amid the ruins.

"Large sections of Sinfengkai, Painsiangkai and Shensikai, which constitute important parts of the lower section of the city facing the Yangtze river were not any better off. Large numbers of its houses were gutted. So were most of the buildings around the Model Market square.

"Thousands of people emerged from shelters only to find that they no longer had homes to return to. Some had fortunately brought with them during the air raids a part of their belongings. They sat by the roadside in agony, watching the fires. Most of the faces were expressionless. They were simply dazed, not knowing what to think. Small boys and girls clung to their grown-up relatives looking pathetically helpless. Not a few of them came from the down-river cities where they had undergone previous war experiences."

Much foreign property was wiped out in the raid of August 20, including the Canadian Women's Missionary Society, the Canadian Mission Church (badly damaged), the Canadian Hospital, the Friend's Mission (British), the Butterfield and Swire office building, the Barry and Dodwell office building, and the Jardine and Matheson office premises. American property losses appear to have been limited to the destruction of personal property and effects of Mr. J. H. Schwer and to slight damage to properties of the Chungking Ice Company, Incorporated.

Other squadrons of Japanese planes on August 20 bombed the Haitangchi and Tantzeshih areas on the south bank of the Yangtze River, the former being situated above and the latter below the Japanese-designated safety zone. Casualties and property damage apparently were not great in either area.

August 23. Ignoring the city proper, approximately eighty Japanese bombing planes operating in three formations bombarded the Haitangchi and Tantzeshih areas on the south bank of the Yangtze River. In the absence of Chinese fighter opposition and in the face of feeble anti-aircraft fire, the Japanese bombed with considerable accuracy, obtaining direct hits on a cement plant in the Haitangchi area and on a cotton-spinning plant in the Tantzeshih area. Apparently the cement plant suffered negligible damage for it was operating within a few days, but the cotton-spinning plant, reported to have a capacity of about 15,000 spindles, was completely destroyed. Other damage and casualties were reported to be slight.

Conclusions. According to semi-official statistics, the Japanese have in their thirty-odd aerial attacks on Chungking since May 28 of this year killed about 2,051

Chinese

0374

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

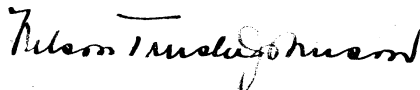
AIR MAIL

- 6 -

Chinese civilians and wounded 3,479 others. It is estimated that altogether some 17,000 chien or rooms have been destroyed, 8,000 of which were accounted for the two disastrous raids of August 19 and 20. It has been estimated that the total property losses sustained as a result of these raids amounted to approximately \$17,000,000 Chinese currency.

According to a Japanese military spokesman in Hankow (whence the great majority of the planes are despatched to attack Chungking), the Japanese have utilized more than 3,300 heavy bombers in the attacks, dropping 2,000 tons of bombs on Chungking. It is estimated that the Japanese have lost about seventy of these planes this year in the attacks on Chungking and air crewmen to the number of more than 400. Considering the bombings from the military point of view, it would seem that the Japanese have obtained little or no net profit from the attacks on Chungking. And certainly, although it is true that the Japanese have destroyed a vast amount of civilian property, they are no nearer to their apparent object of forcing the Chinese people into capitulation; on the contrary, the Japanese have by the savage and wanton nature of their attacks served further to convince the average Chinese citizen of the necessity of averting Japanese domination at all costs.

Respectfully yours,



Nelson Trusler Johnson

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

360

EFD:MCL

037

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

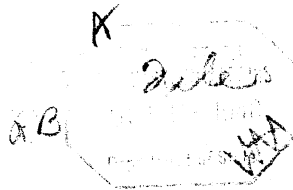


EMBASSY OF THE
 UNITED STATES OF AMERICA

No. 660. Chungking, September 11, 1940

Subject: Japanese Bombing of Luchow, Szechuan.

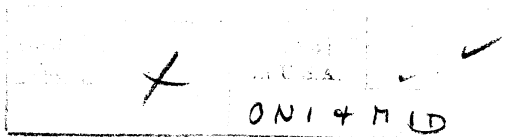
Air mail



RECEIVED
 DEPARTMENT OF STATE

1940 SEP 27 AM 10 18

DIVISION OF
 COMMUNICATIONS
 AND RECORDS



DEC 10 1940

700.34/10200

COMMERCIAL AFFAIRS
 DEPARTMENT OF STATE

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

As a further example of the ruthless nature of the Japanese air attacks carried out upon undefended cities in the unoccupied provinces, certain known cases of which have already been brought to the Department's attention, I have the honor to transmit a report of the bombings of Luchow (Luhsien), located on the Yangtze River about half-way between Chungking and Suifu, which occurred on August 2, August 12 and August 16 of this year. The report is taken from a news release of The China Information Committee* and corresponds closely with the oral account of a Chinese educator who happened to be in Luchow when the attacks took place. No American property or other interests were involved in the attacks apparently for

the

*V. III, No. 16, P. 1927, August 28, 1940

FILED

SEP 13 1940

F/FG

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

AIR MAIL

- 2 -

the good reason that there are no American properties or other interests in Luchow. The only known military object in the Luchow area is said to be an arsenal; it has not been learned whether in destroying approximately four-fifths of the city of Luchow the Japanese have been successful in demolishing the arsenal.

The enclosed report is transmitted because it is illustrative of countless other Japanese aerial attacks launched on open Chinese cities throughout central and western China in 1939 and 40. It is indicative of the tribulations and losses suffered and accepted by the Chinese populace as a matter of course. In many cases these attacks are unheralded; they are not published in the press nor portrayed to the world. In other cases foreign properties are involved and the information is divulged. But in any case it is safe to assert that the very large majority of the more important cities in the unoccupied provinces have by now been visited on one or more occasions by Japanese planes, and that, contrary to the usual Japanese reports of the destruction of military objectives, it is commonly the shops, the residences, and the huts of Chinese civilians that are reduced to rubble and ashes; it is the innocent peasant or child rather than the soldier who is struck down in the large majority of cases.

Respectfully yours,



Nelson Trusler Johnson

Enclosure:

- 1/ Report from news release of
The China Information Committee
 dated August 28, 1940

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

830

EFD:MCL

0 3 7 7

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

Enclosure no. 1 to despatch no. 660 dated September 11, 1940 from American Embassy at Chungking on subject of "Japanese Bombing of Luchow, Szechuan".

SOURCE: The China Information Committee

Volume III. No. 16

Chungking, August 28, 1940

(C O P Y)

LUCHOW HEAVILY BOMBED

Chungking, August 21.--Less than 20 per cent of the houses in the city of Luchow, upper Yangtze's leading trade center and famous wine town about 250 kilometers west of Chungking, are still standing as a result of three Japanese bombings in the first half of August. The rest were either burnt or demolished. Casualties, however, are comparatively low. The city suffered altogether less than 550 dead and wounded from the 500 demolition and incendiary bombs showered upon it by Japanese planes, according to an official report.

More than 250 bombs were dropped by Japanese bombers on August 2. Six fires broke out from the explosion of incendiary bombs and a considerable part of the city's busy streets were burnt. A little more than 500 persons were killed and wounded.

The raid on August 12 brought a low casualty list. The bloody experience Luchow learned on the 2nd prompted most people, except the police and A.R.P. members, to leave the town.

More than 200 bombs were dropped by 54 planes on Luchow on August 16. Only 21 persons were killed or wounded although the raiders extended their bombing objectives to Luchow suburbs in addition to the city.

Among the buildings destroyed during the three bombings were the county government, the court and prison, the police headquarters, the Confucian Temple, and a number of public and private organizations, including the famous Paoen Temple, where one of its three five-meters high seated bronze Buddhas was destroyed. A number of busy streets was practically wiped out. Only some charred walls still remain to bear silent witness to the destruction of an otherwise busy business section.

The city's wounded were well taken care of by the six hospitals in and outside the city. Besides local contributions, Generalissimo Chiang Kai-shek appropriated \$30,000 and the National Relief Commission \$35,000

to

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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 be distributed among the victims. On August 16, a special ambulance was sent from Chungking by the commission with 11 doctors and nurses to reinforce the local medical force. They left three boxes of medical supplies with the Luchow air-raid relief committee after paying a visit to the local hospitals, where they found the situation well in hand.

The city experienced two bombings in 1939, the first in September and the second in October. About 140 bombs were dropped, and 900 persons killed and wounded. The United Church of Canada Mission and its hospital was burnt. But the China Inland Mission still stands in spite of five bombings in the last 12 months.

Luchow, often called "Little Chungking" is southern Szechuan's leading trade center. Goods for and from northern Szechow and eastern Yunnan have Luchow as clearing station. Besides the Yangtze, it has two highways, one leading to the Chungking-Chengtu Highway, and the other directly to Kunning. Thousands of trucks are plying on the two highways to transport China's vital products and necessary imports. About 100,000 people lived in the city in pre-war days. But the repeated Japanese bombings have reduced the population to less than half of its pre-war figure. Life, however, is still going on without much difference. The city's only cinema house is doing business as usual with plain boards on rows of lined bricks at its original site which was burnt down during this year's first bombing on August 2.

605

03 / 5

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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 200,000 Chinese troops along the Indochina border in Kwangsi and Yunnan including one division of National Gov't troops in the latter province.

Statement by a Reuter's correspondent that - ready to take the necessary action against the Japanese army as a result of the Indochina situation.

jb

793.94/16207

For the original paper from which reference is taken

See Tel 481, 2 pm
(Despatch, telegram, instruction, letter, etc.)

Dated Sept 24, 1940 From China (Chungking) Johnson
To

File No. SEE 751c.94/155

16207

0381

DECLASSIFIED: E.O. 11652, 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 Japanese encroachments on French Indochina.
Negotiation of the Chinese Government with the French
both at Vichy and Hanoi to give assistance as a
result of -

jb

793.94 / 16208

For the original paper from which reference is taken

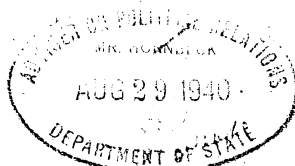
See Tel #486, 10 am
(Despatch, telegram, instruction, letter, etc.)

Dated Sept. 27, 1940 From } China (Chungking) Johnson
To }

File No. 751g.94/172

0381

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



GENERALISSIMO CHIANG KAI-SHEK'S STATEMENT OF JULY 7, 1940

On the Third Anniversary of the commencement of China's War of Resistance of Japanese Military Aggression, Generalissimo Chiang Kai-shek issued the following message to friendly nations:

"(1) From the very beginning of our war of resistance we have held that the scope of our cause is not limited only to the defence of China's existence and independence; it also comprehends a service of the greatest value to future world order and human prosperity. The recent great changes of the European situation have fully proved the complete accuracy of this belief of ours. Japanese Militarists have long entertained the ambition of world conquest and their attack on China is but the first step in their whole scheme of aggression. Had China not fought in the past three years, Japan would easily have taken advantage of the opportunity found in the European War by directly attacking the territory and rights of the friendly nations on the shores of the Pacific. As things are, however, China, notwithstanding original deficiencies in military equipment has, by virtue of the people's united spirit of resolution and sacrifice, brought Japan in three years near the point of exhaustion and collapse. In contending with China's stout resistance Japan has been steadily drained of military and economic strength, while the fighting morale of both her people and army has seen even a more acute decline. The result is; Japan by now has lost the power to act as an arbiter of Pacific Affairs and all her schemes of conquest and monopoly have become unrealistic.

"(2) Our resistance having achieved the effects just described, the confidence of our whole nation in the future of the war is ever mounting. During the past year such have been the reverses suffered by Japanese Militarists that they have turned to political devices, hoping to shatter the unity of the Chinese people by the employment of puppets. Since the revelation of the so-called 'Outline of Provisions for the Readjustment of Relations Between China and Japan' or the private compact concluded by Wang Ching-Wei with the enemy on December thirtieth of last year, the merest child among us has become aware of the shameless treachery and hypocrisy of Japanese motives. Unanimous solidarity of the Chinese Nation has grown only stronger. Until Japan has entirely cast off her aggressive policy and withdrawn her forces from our soil, our resistance will never halt. This I feel in a position to reiterate solemnly on behalf of the Chinese Government and people.

"(3) The sympathy and aid extended to China by friendly nations in the past three years have impressed upon the Chinese people a sense of obligation they will never lose. In this respect I have two points which I wish frankly to put before my readers. The first is militarily and economically, Japan has already plunged deep into the quagmire from which she cannot struggle free. Japan of today is quite powerless to make war on any third nation. The threats she has recently made in regard to the Dutch East Indies, Indo-China and Burma are nothing but bullying, baseless words aimed at gaining predatory opportunist ends without resort to war. Let the powers meet such threats with discernment and stern resolution while they collaborate in devising efficacious

735.94/16209

F/FG

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

- 2 -

means of checking any encroachment. They will thus be discharging their moral and legal responsibility toward China and the Far East from which nothing can absolve them. This is the imperative duty of all friendly nations thus to defend the future order of the world. At the outbreak of the Mukden incident there were some among the governments of the friendly nations that were hesitant and disconcerted, which inaction resulted in the present state of disorder prevailing all over the world. If friendly nations now treat Japanese threats to Indo-China, Burma and the Dutch East Indies with the same indifference or tolerance, the outcome will prove to be unthinkable grave. China for her part will not hesitate to oppose with force any future aggressive acts of the Japanese in Indo-China or other Asiatic areas both with a view to her own security and in pursuance of her consistent policy of working against aggression. For, in fact, all Japan's moves have for the present as their central governing motive the destruction of China's existence and independence. Again, despite the war in Europe, Soviet Russia and the United States of America have not yet been involved and therefore they are fully at liberty to exert themselves in China's favor in opposition to Japan. Such action constitutes, I believe, not only the bounden duty, but also the responsibility and right of those two countries. If America and Soviet Russia can speedily take adequate steps to provide China with material assistance, there would be little doubt of an early clarification and stabilization of the Pacific affairs as such would not by any means benefit China alone.

"(4) Finally, in regard to the possible future developments of the world situation, we have one observation to make. It is this. For the success of future efforts, for world peace, it is essential to change the self-sufficient, short-sighted habits of mind in favor of the notion of collaboration between all peace-loving nations toward the creation of a strong international organization built into an effective system of collective security. In making this appeal I am speaking for four hundred fifty million Chinese who wish to strive in company with the citizens of all friendly nations towards this goal for the establishment of a permanent world peace and the increase of prosperity of all mankind."

The Chinese Embassy,

Washington, July 7, 1940

038

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

TELEGRAM RECEIVED

FROM

HSM

GRAY

Kunming via Chungking & N.R.

Dated September 30, 1940

Rec'd 3:04 a. m., October 2:

COPIES SENT TO
O.N.I. AND M.I.D.
10/2/40 dtk

Secretary of State,
Washington.

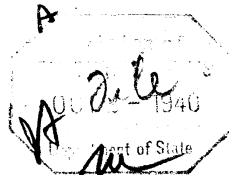
September 30, 7 p. m.

At 12:15 p. m. today 21 Japanese planes bombed the southern commercial section of Kunming and along the east wall of the city. Although the raid was brief a large number of heavy bombs were released. Property damage was not extensive although the casualty list is believed to be fairly high. So far as is known all Americans are safe.

Sent to the Department via Chungking. Repeated to Peiping.

TFV

UNSIGNED



703.94/16210

F/HG

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese conflict: developments of month of July, 1940.

For the original paper from which reference is taken

See #189
(Despatch, telegram, instruction, letter, etc.)

Dated Aug 10, 1940 From Hankow (Jarvis)
To

File No. 893.00 P.R. Hankow/157

793.94 / 10.11

16211

DECLASSIFIED: E.O. 11652, 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.

The Japanese maintained the territorial gains which they had made in June. They attempted no new offensive action.

The Chinese harassed the Japanese line of communication west of the Han River causing a serious shortage of supplies among the Japanese forces in that area, but not forcing the Japanese to withdraw. Early in the month Chinese regulars and guerrillas attacked with more than usual frequency Japanese garrison towns.

Typical of these assaults was the siege of Hwang-shihkang (黄石港), a town on the south bank of the Yangtze between Hankow and Kiukiang. About 200 Kwangsi regulars on July 2 attacked with small arms the Hwang-shihkang garrison consisting of about 10 Japanese and 10 Chinese mercenaries, barricaded in one of the town's more stoutly constructed buildings. After an hour's ineffectual expenditure of ammunition by both sides, the attacking force withdrew because of the approach of a Japanese gunboat.

Thus

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

Political report -
July 1940
Hankow, China

-5-

Thus with naval artillery, but more often aircraft and tanks, at their call, small and isolated Japanese garrisons continued to hold their long thin lines of control.

Japanese reinforcements arrived steadily throughout July. Estimates of their strength vary from one to three divisions. Newly-arrived Japanese officers who spoke Russian were quoted as having stated that they had been transferred from Hailar, Manchuria.

The increase in the number of Japanese troops in Central China appeared to support rumors of an impending offensive directed at Changsha.

Kwangsi troops in unknown numbers crossed the Yangtze at various points between Hankow and Kiukiang, moving south.

The Japanese air force relaxed only slightly its activity from Hupeh bases. The usual distribution of aircraft during July at the three principal bases was reported in approximate numbers to be: Siaokan 100, Hankow 40, Wuchang 20.

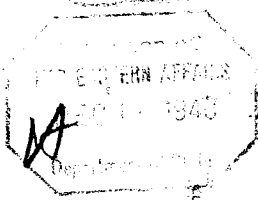
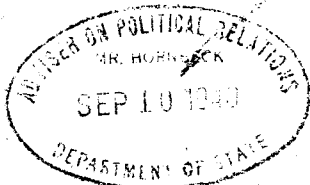
No reports were received of Chinese aerial activity in this district during the month under review.

0387

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

GAY FARM
NORWOOD, MASSACHUSETTS

TELEPHONE: NORWOOD 1040



DCR
PA/H

September 6, 1940.

RECEIVED
STATE
RECORDS
PM 12 54

My dear Colonel,

I thank you for your cordial note and for the excerpts which you send. See 793.94/16132

713.94/2950

I assume that my recollection of having put on my telegram "For the eye of the Secretary only" and "Confidential, for the Secretary of State" and your uncoding it, are different ways of expressing the same code word. I have a very clear and distinct recollection of asking Neville whether there was anything that I could have put on the message to make it more confidential than the phrase used. He said there was not.

I think our apparent difference about what was the business of the Government and what was not was more apparent than real. I agree with you that the question of whether Japan adhered to treaty agreements into which she had entered with us - such as the Nine Power Treaty and, to a lesser degree, the Kellogg Pact - was our business. I do think, however, that the details of military operations were not, any more than it was the business of the civil part of the government ~~and not the commanding of-~~ ^{reference} ~~to~~ to determine whether or not this, that or other defensive measures were necessary. And for us to say, or get the Japanese

793.94/16211 1/7

PS/VH 16211 1/7

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-

to promise that this advance or withdrawal should or should not be made was going into details that were none of our business; and I regard Stimson's effort to so in the light of meddling and not only not likely to lead to helpful results but pretty sure to have the contrary result. In fact I think the fair-minded historian will say that it has that disadvantageous result.

The interesting thing to me in this sequence of events, as indicated in your letter, is that apparently the facts are that Stimson in a cable had asked me to obtain such an assurance from the Japanese Government. Shidehara's confidential account of the agreement he had entered into with the Military followed immediately upon this request of our Secretary of State. I am, however, very positive that the word "assurance" that no advance on Chin Chow would be undertaken is not justified by anything that Shidehara said to me, or that I in my confidential cable to Stimson said so.

My recollection of the interview is that Baron Shidehara had obtained from the Army an agreement to let him endeavor to negotiate with the Chinese civil leaders for a withdrawal of the Chinese army to behind the Great Wall, and the creation of a neutral zone in which neither army would agree to operate. The army merely agreed to suspend operations until the results of the negotiations could become manifest. Stimson's premature exposure of this plan brought the whole project to an abrupt end and, as I remember it, Shidehara reported to me that the

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

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Army were absolutely furious over it. I remember distinctly his saying to me that it had made his position untenable.

As I said to you verbally, I am not raking this up with the idea of further publication. I have made certain representations to Professor Griswold which I have to modify, and I want to take these additional data up with Neville and make sure that we are both a little more accurate in our recollection of a sequence of events which now has become historical and, to a certain extent, controversial. In relation to this I have in my files newspaper clippings, journals, letters and other data, which should make part of a very interesting historical document when the time comes; but I have no present intention of writing it up, and no desire to do so.

Sincerely yours,

Walter Forster

Col. Stanley K. Hornbeck,
 State Department,
 Washington, D.C.

See
 793.94/2856 2691
 2864 conf- 2738
 2888B 2767
 2928 A conf- 2770
 2941 conf- 2778B
 2945C 2792
 2945G 2879 conf-
 2950
 2951
 2964A
 2976
 2989 conf-

0391

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

People's Foreign Relations Association of China,
 4 Chung San Lu,
 Chungking, China.
 September 5, 1940.

File

Her Excellency,
 Madame Franklin D. Roosevelt,
 c/o White House,
 Washington, D. C.,
 U. S. A.

1940 SEP 30 PM 3 17 SEP 25 1940

COMMUNICATIONS
 AND RECORDS

Dear Madam,

In defiance of international law and human precepts the Japanese airman, on the 19th and 20th ultimo, subjected Chungking to aerial bombardment the ruthlessness of which finds no parallel in the history of the world. As a result of these bombings the downtown section of Chungking was completely destroyed and many innocent people were killed or maimed, and a description of the havoc as it occurred can hardly make people living in the West believe that the atrocity could have been actually perpetrated by a so-called civilized nation. Put it is a fact, a fact which needs no words of exaggeration to set out fully the notorious barbarism of Japanese airman. Any one who has a chance to inspect the bombed sections of the city and to see for himself or herself the tens of thousands of people who have been rendered homeless and destitute by the enemy's bombings cannot but condemn vehemently such inhuman acts of the Japanese.

We wish to emphasize that the places in Chungking singled out for heavy bombing by the air raiders are those of purely business and residential nature. There were no military objectives whatsoever. Not only our own people but also the nationals of third Powers have suffered heavy material losses. Those of our foreign friends' properties, either damaged or totally destroyed, are given in the following: Lewis Memorial International Church, Catholic Hospital, Scottish Bible Society, China Inland Mission, Canadian Women's Missionary Society, Canadian Church, Canadian Downtown Hospital, Anglo-Chinese "Y", Quaker Mission, Butterfield and Swire, Barry and Dodwell, Jardine, Matheson and Co., United Church of Canada, American Asiatic Underwriters, etc. This long list of damage or total destruction to third-Power properties furnishes indisputable proof that the Japanese airman have never even looked for military objectives as they declared in their bombings.

The Japanese militarists have often proclaimed that they were not directing their attacks against the Chinese people but only against the Chinese Government, but these previous indiscriminate bombings have kindled the fire of enmity among the Chinese people and it will continue to burn as long as these wrongs and grievances to them are not redressed.

We wish also to point out that the recent ruthless and extensive bombings in Chungking are nothing but desperate attempts by the Japanese to liquidate the so-called "China affair" in order that they might immediately extend their military invasion to the South Pacific. While it is perhaps unnecessary to stress that mere bombing will not

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793.94/16211 2/7

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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 -

Now us into submission, it might be well for the people of other lands to be duly warned that barbarous acts, if left unchecked, have a tendency to spread. On the other hand, if definite steps would be taken to check Japanese barbarism and to preserve Chinese independence, not only the Far East would be stabilized for peace and trade but also the security in the Pacific would be ensured to the benefit of all those who have interests in this part of the world. From this it may be concluded that China's struggle for freedom and independence is also a struggle for peace and prosperity in the entire Pacific area.

As the first pre-eminent Power in the Pacific and as a stout champion of democracy, the United States of America is in a singular position to take a leading hand for the cause of international justice and world peace. The Chinese people are looking up to you, madam, for this leadership and we trust that you will not shrink from this duty and responsibility to history and all mankind. We, on our part, are ready to give you all the support we have at our command.

We also trust that although you, madam, are now living in peace and happiness in a far-distant land, you nevertheless have not overlooked the acute sufferings of millions of innocent human beings across the Pacific. You are one of the very few in the United States who can exert tremendous pressure on the opinion of your countrymen, and we, therefore, sincerely appeal to you, madam, to make immediate steps to help to put a stop to any more such cruelties of the Japanese air force in this part of the world.

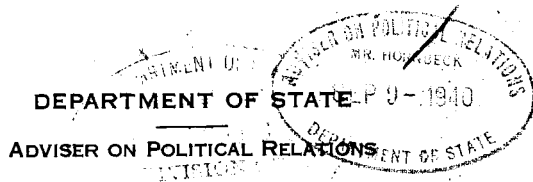
With our highest regards to you and President Roosevelt,

Yours respectfully,

Jen C. Shieh
 (Jen C. Shieh)
 Secretary-General.

0392

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



Memorandum for Mr. Hornbeek September 9, 1940.

Excerpts from letter of July 30

from Mr. J. Lossing Buck

You may be interested in excerpts from a personal letter dated Chungking, July 30, from Mr. Buck to me which I have recently received:

"Chungking is a sick looking city with hardly an undamaged building. I doubt [however] if more than five percent of the buildings were totally destroyed." Speaking of his own rented house, he says that plaster is down in all the rooms, "the windowpanes were shattered long ago. When it rains the roof is a sieve over the stairway. Landlords don't like to keep repairing their property. At times the telephone and water connections are broken ..."

"Raids have not been frequent since I arrived [on July 16] on account of rainy and cloudy weather. But they come with every clear or partially clear day. Everyone rises in the morning with an eye on the weather and remarks: 'No raid today!' or 'There's sure to be a raid today!' If the planes come one feels rewarded for taking to a dugout and spending from one to five hours there. But if the planes do not actually arrive and drop bombs, one feels disgusted with apparently wasting just so much time.

793.94/16211 3/7

PS/VH

793.94
 893.5017

0393

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

- 2 -

time. When the alarm sounds there is a saying among the common people, 'We must go to the office now', meaning that the time has come to do a long tiresome thing.

"I am impressed with the fine morale of the people here which is so much better than after the raids a year ago. Stores keep open, workmen remain on the job, and repairing of damaged buildings is on a fairly large scale. People are not so fearful now that there are good dugouts for everyone and raids have become customary."

7/93.24
Mr. Buck stated that the closing of the Burma route had left his Chinese friends very downcast and very critical of the British. They also wondered why the United States did not put on an embargo against Japan. He said that a Cabinet minister stated, "We have received no very practical help from America. We must look to Russia and Germany for assistance." Mr. Buck said that no matter how much "one tried to explain America's position the Chinese felt that they were flat on their backs and the assistance that they needed from a friendly nation is not forthcoming." He added that "more considered opinion is that Russian and American relations should become closer so as to cooperate with China against Japan."

"The news of the American embargo on oil and iron to Japan was most timely and has been received with great jubilation and has restored fast failing confidence in any concrete

0394

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 -

concrete U.S. help commensurate with the need. This action increases the feeling of friendship for the United States very greatly and its importance cannot be overestimated."

893.5017
Mr. Buck says that due to a shortage of gasoline air services have been greatly curtailed, there is only one small plane each week to Chengtu and even he--a government official--has been unable to get to Chengtu. He said also that the cost of living is high and that all salaried people are complaining. However, there is plenty of food and "the crops will be good although at one time they were threatened with drought."

"K. P. Chen is exerting every effort to fulfill the loan contracts and to care for the goods in Haiphong and Rangoon".

Mr. Buck's letter closed with the statement that "one feels pretty much shut in out here, and, of course, the Chinese feel it too."

PA/H:AH:ZMK

0395

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

October 18, 1940

My dear Mr. Kohlberg:

I acknowledge with thanks and appreciation the receipt of your letter of October 14, 1940, with which you were so good as to enclose a copy of a letter and statement which you have sent to Members of Congress in regard to the situation in the Far East.

Yours sincerely,

Stanley K. Hornbeck
Adviser on Political Relations

Mr. Alfred Kohlberg,
1 West Thirty-seventh Street,
New York, New York.

FE:EGC:MHP
PA/H:SKH:ZMK
10-17-40

FE

18 1940

793.94/16211 4/7

PS/WH

0396

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

My dear Mr. Kohlberg:

I acknowledge with thanks the receipt of your letter of October 14, 1940, with which you enclose a copy of a letter and statement which you have sent to members of Congress in regard to the situation in the Far East.

I have noted carefully the contents of your letter and statement addressed to members of Congress, and I appreciate very much your courtesy in making them available to us.

Yours sincerely,

Stanley K. Hornbeck
Adviser on Political Relations

Mr. Alfred Kohlberg,

1 West Thirty-seventh Street,

New York, New York.

892.
FE:EGC:MHP
10/16/40

FE

m.m./1

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

COMMITTEE:
WAYS AND MEANS

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

EUGENE T. KINNALLY
SECRETARY

WASHINGTON OFFICE:
1727 HOUSE OFFICE BUILDING

BOSTON OFFICE:
1408 FORT OFFICE BUILDING

October 9, 1940.

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

Dear Secretary Hull;-

Father Joseph F. Thorning of Mount Saint Mary's College, Emmitsburg, Maryland, has just returned from an extensive tour of the Orient. He is a deep student of foreign affairs. He made a survey of conditions in the Orient. I am sure that he has impressions and information that might be of value to the State Department. May I suggest an invitation to Father Thorning so that he can convey to you for your information valuable information that I am sure he possesses?

With kind personal regards, I am

Respectfully yours,

194

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0398

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

ALFRED KOHLBERG inc.

Chinese Textiles

1 WEST 37TH STREET JUST OFF FIFTH AVE.

NEW YORK, U.S.A.

Kohlberg
 HAND MADE IN CHINA
 SILKS LACES LINENS
 GLOVES
 AFFILIATE
 HAND MADE
 HANDKERCHIEFS, LTD.
 LONDON, ENGLAND

FOREIGN OFFICES
 SHANTOW
 SHANGHAI
 CHEFOO
 CABLE ADDRESS
 "ALKOHL" NEW YORK
 ALL CODES
 TELEPHONES
 WISCONSIN 7 8477
 8478
 8479

October 14, 1940

W.K.D.

ch

Dr. Stanley Hornbeck,
 State Department,
 Washington, D.C.

My dear Dr. Hornbeck:

For your information I enclose a letter to-
 sent mailed today to every member of Congress.

Very truly yours

700-04/10211 017

1940—Our Silver Anniversary—25 years importing Chinese Textiles

0399

DECLASSIFIED: E.O. 11652, Sec. 3(B) 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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 CABLE ADDRESS
 "ALKOHL" NEW YORK
 ALL CODES
 TELEPHONES
 WISCONSIN 7 8477
 8478
 8479

October 12, 1940

My dear Congressman:

Last February I took the liberty of writing you suggesting that the only sure way to keep the United States out of War in the Far East was to end the Sino-Japanese War by a settlement which would prove permanent by proving satisfactory to both sides.

Recent developments suggest that it may soon be forever too late for such a solution.

I enclose a duplicate of the memorandum sent you last February.

Very truly yours,

Alfred Kohlberg

AK:AM
 Encl.

1940—Our Silver Anniversary—25 years importing Chinese Textiles

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

New York City
February 6, 1940

Last September the Japanese Consul at Swatow, China, called on me there to apologize on behalf of His Imperial Japanese Majesty's Government for an incident which occurred up river from Swatow a couple of days before, in which a Japanese sentry had shot me. After the apology and mutual expressions of good will had been properly acknowledged, I had an opportunity to enter into a very frank discussion with the Consul.

First telling him of my 25 years of business dealings with Japan, my many visits to that country and my many friends there, then of my 25 years of business dealings with China, my many visits to that country and my many friends there, I told him I was greatly upset by the undeclared war, with its horrible destruction and the hate developing between my Japanese and Chinese friends, which would likely lead to generations of turmoil in East Asia.

I then proceeded to tell him that even more alarming and disturbing to me was the developing prospect of war between his country and mine, due to a large number of aggravating incidents of mistreatment of American business men and missionaries, and invasion of American rights by the Japanese army in China. I stated that the high handed actions of the Japanese Army to Americans in matters that should properly be left to the Japanese diplomatic service to handle, plus the growing American dislike of Japan's policy and actions in China, made a situation in which an accident, - intentional or otherwise - such as the blowing up of the Maine in 1898, would cause a situation diplomacy could not adjust.

The Consul agreed that he was much worried by the possibilities of the situation and that he had advised the Army that they should to some extent alter their attitude. He asked that I accompany

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

- 2 -

him to the head of the political bureau of the Army and tell him my attitude, which I did, and on other occasions I had the opportunity of going over the same matter with other Japanese business men and officials.

How avoid the possibility of War with Japan?

The only sure way to avoid the possibility of involvement in the Sino-Japanese War, of course, is to end that undeclared war. How to do that?

It is now 31 months since the start of the war in China. The rank and file and a vast number, at least, of the junior officers of the Japanese Army are thoroughly war weary, as is part of the Japanese population. The Japanese Army and Government are now pretty thoroughly convinced that under present conditions the Chinese Army cannot be destroyed and the Chinese conquest cannot be completed with the forces available.

On the other hand, the Chinese government realizes it can never drive the Armies of Japan off Chinese soil under present conditions.

Yet, the Chinese Government feels itself growing stronger and hopes for eventual victory as a result of some possible combination of forces with the victors of the European War, hence will not seek mediation at this time. Japan, likewise, hopes for some development in the European situation to China's disadvantage and hence eventual collapse of Chiang Kai-Shek's government. Nevertheless, Japan would welcome peace moves, if on the basis of the status quo, particularly as the Russo-German-Japanese deal of 1938 seems in danger of being torpedoed now by Russia, which is in process of negotiating a new deal with China. Neither Japan nor China is in position to openly welcome peace negotiations at this time for reasons of prestige. I believe, however, both would secretly welcome an imposed peace confer-

0402

DECLASSIFIED: E.O. 11652, 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 -

ence, if based on conditions which both could regard as satisfactory for a few years at least.

Such a basis might be something along the following lines:-

1. Japan to recognize the authority of the Chiang Kai-Shek government in China and the complete independence of China as defined by the peace treaty to be negotiated in accordance with the war aims statement of Prince Konoye, when Premier.
2. China recognizes the government or governments set up by Japan in the areas to be given to Japan by the peace treaties, as will the U. S. A.
3. China agrees to extend to Japan most favored nation treatment and to discourage anti-Japanese agitation in China; and Japan agrees to the same in reverse.
4. No indemnities. All properties to be returned to their owners as of July 7, 1937.
5. Japan to withdraw its naval and military establishments to north of the Great Wall.
6. China agrees to engage Japanese expert advisers, as well as expert advisers from other nations, parties to the Nine Power Pact, as China may think advisable; the Japanese advisers to be not less in number than one-ninth of the whole number of advisers so engaged from nations signatory to the Nine Power Pact.

If the U. S. A. were to propose a peace conference based on a settlement such as outlined above, points on which the conference could not agree could be left to arbitration. If either Japan or China refused such a conference, the U. S. A., in the interests of humanity, should embargo all further supplies to such country and further extend unlimited help to the other. Under this compulsion, peace would seem likely. If such a conference were successful, millions of lives of both combatants and non combatants would be saved and the danger of U. S. involvement removed.

ALFRED KOHLBERG
1 West 37th Street
New York City

0403

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

CHINA AID NEWS

WASHINGTON COMMITTEE FOR AID TO CHINA

~~SECRET~~
 JUL 20 1940
 File

1410 H STREET, N.W.

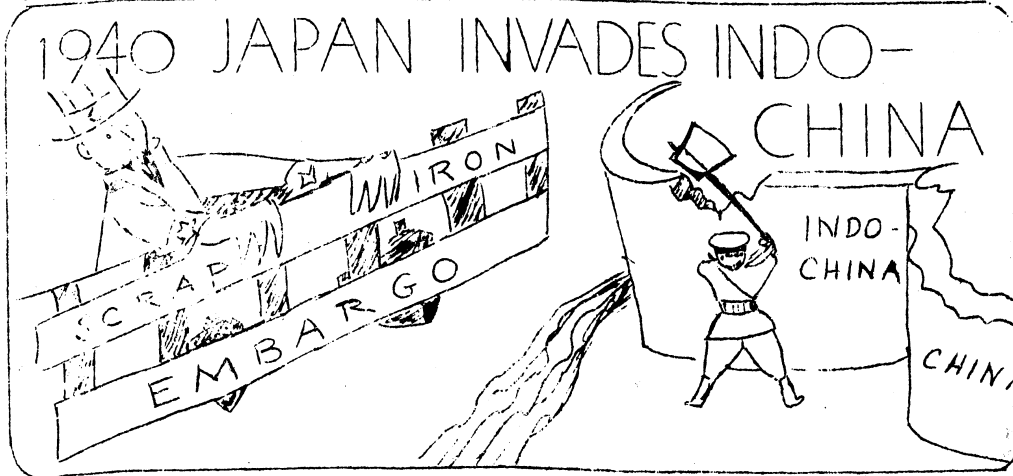
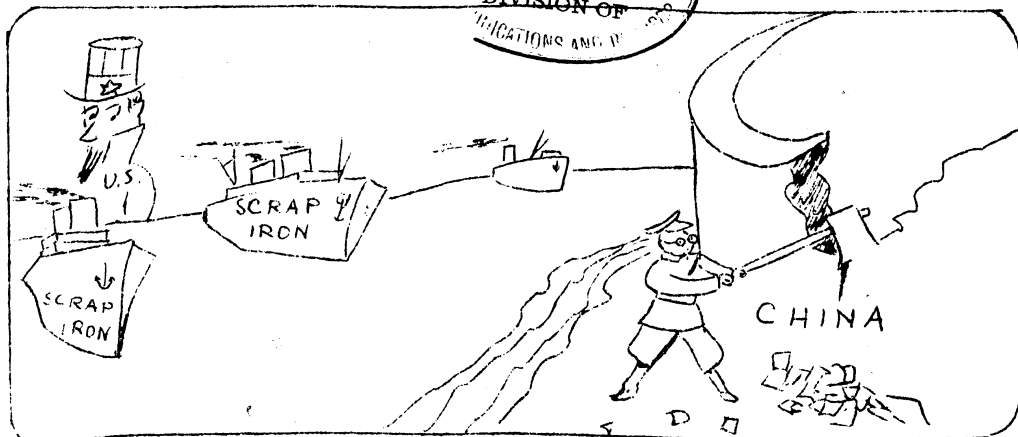
OCTOBER 1940

REPUBLIC 0805

MORTIMER GRAVES, CHAIRMAN

MURIEL KOENIGSBERG, EXEC. SEC'Y

1937-40 JAPAN INVADES CHINA



WHY?

✓ READ - - AMERICAN POLICY; THE STATUS QUO - PAGE 2
 ATTEND - THE NOVEMBER FORUM

793.94 / 16211 6/7

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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

AMERICAN POLICY - THE STATUS QUO

These columns have long argued that appeasement is futile, that it serves only to stimulate dictator aggressions.

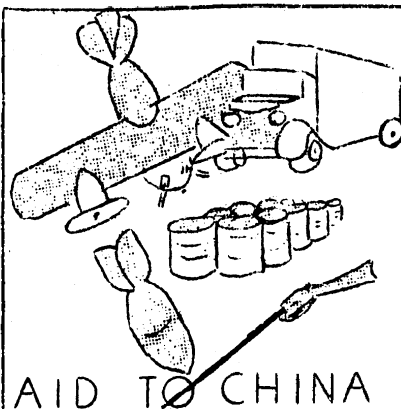
The German-Italian-Japanese pact, with its open threat to the United States, is the reply to our appeasement policy in the Far East. Just as England is laid waste by the Axis powers who use implements of war largely financed in London, so are we now threatened by a Japan who holds in her hands weapons forged from our steel, assembled in our factories, powered by our gasoline.

The present turn of events is the fruition of a pussy-footing policy in the Far East. We gave piddling, grudging aid to China in the form of small loans, and fulsome aid to Japan in the form of war materials and dollar exchange.

There have been two major viewpoints on what United States policy should be: One has been the position taken by the people clearly and unmistakably stated in numerous public opinion polls, meetings, letters to Congress and through organizations such as the Washington Committee for Aid to China -- for an embargo on Japanese exports and imports and for aid to China in amounts sufficient to assure a victory of democracy over fascism.

The second viewpoint has been that taken by the forces represented by the Sumner Welles clique in the State Department.

This group fears a Chinese victory because of the implications of social change in all the Far East if China becomes free, democratic and strong. And it fears that, a Japanese defeat may mean an end to the status quo in Japan. Hence its policy has been to keep the forces on both sides somewhat balanced so that neither could achieve victory. Such a policy, per-



allel to that of Britain after World War I is shortsighted and in the long run ruinous.

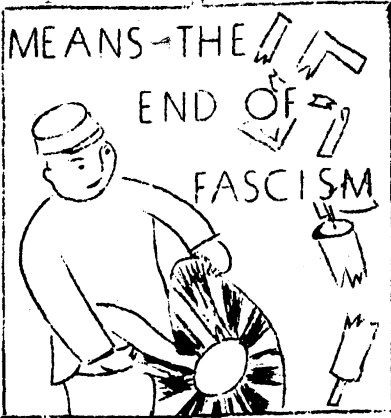
In this scheme of things, as long as Japan stayed away from the Dutch East Indies, the Philippines, and other islands in the South Seas, the fate of China was not of great importance to American or British business interests.

But now that Japan combines with European fascism and seeks hegemony over all the Far East, thereby threatening American and British interests in that part of the world, the United States and England begin to look upon China as an ally. The Burma Road is to be reopened. More loans are forthcoming. We promulgate a partial embargo on war materials to Japan.

Up to the conclusion of the pact between the Axis powers and Hirohito, the Welles group permitted Japan a relatively free hand in China and thus diverted her attention from our American business interests in Southeast Asia. Now it proposes to bolster China in order to divert Japan by tying up so much of her manpower and resources that she cannot effectively threaten American and British interests in the Far East.

This interplay of imperialist interests will affect the position of the American people who wish to see a democratic government triumph over fascism.

The slight aid to China which is forthcoming from our State Department and England's Foreign Office is motivated by selfish aims but must nevertheless be welcomed. Our present policy is based merely on the utilization of China to shake off Japanese threats to American possessions in the Pacific Ocean.



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

TITLE (CONT)

TELEGRAM SENT TO PRESIDENT

It is necessary to make freedom for the Chinese people the aim of our policy. We must increase aid to China because we recognize that that nation, struggling towards genuine democracy, is a bulwark against fascist world domination.

A stalemate in the Far East will not further the cause of world democracy; it will merely delay its collapse. Therefore aid to China, to be effective, must be--- short of war --- extensive, determined and continuous, until she achieves final victory. Our frontiers are on the Yangtze as much as they are on the Thames, the St. Lawrence, the Plata, or the Liffey.

This program can be realized by extending greatly increased financial aid to China, by an import and export embargo on Japan and by a joint declaration with Russia that since both countries are committed to the principle that a free China is vital to their mutual interests, they mutually agree to do all in their power to attain this end. Our ideological differences with the Soviet Union ought not to fog our awareness in a world governed by realpolitik.

A telegram, commending him on his proclamation of an embargo on shipments of scrap iron and steel and pointing out the importance of extending the embargo to all war materials to Japan, was sent to President Roosevelt by the Committee at its September membership meeting.

The meeting was held at the home of Mr. and Mrs. Dudley Babcock in Arlington Virginia. Four reels of movies, taken by Mr. Roy Allman, were shown. Mr. Allman, who lived in Shanghai and Mukden for six years, spoke during the movies of the horrors of invasion which he had witnessed.

Mrs. Blaisdell announces you can now buy Chinese War Orphan tea from

S. Kriger
 707 12th Street N.W.

Four assortments packed in half pound tins from 85¢ to 85¢ a tin.

CHINA AID COUNCIL CALLS CONFERENCE

"It is now our challenging task, as American citizens, to coordinate and extend our assistance to the wounded and sick, the orphans, the men and women who are pioneers of the great industrial cooperative movement, the students who have trekked a thousand miles to complete their education, and the countless others whose unknown heroism is helping to defend OUR democracy!"

November 9 and 10, 1940
 600 Lexington Avenue
 New York City

Registration Fee \$1.00

Dr. Charles E. Forkner
 Chairman, China Aid Council
 Interesting program includes:
 Last minute movies of China
 Panel discussion
 Chinese dinner
 Reception for delegates

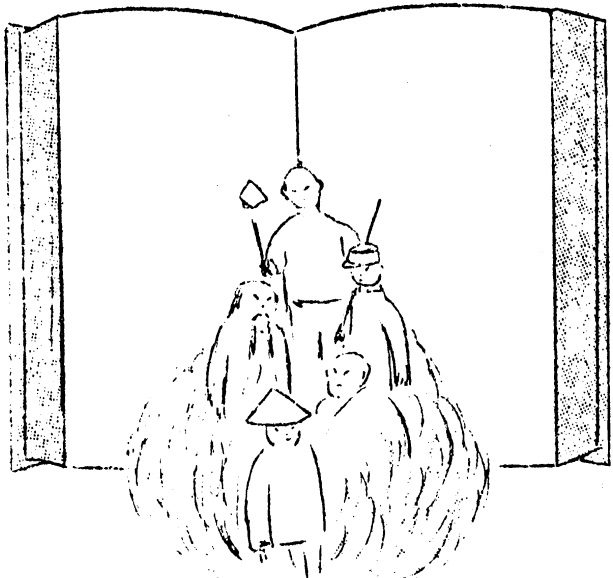
For further information call Republic 0865 from 2 to 6 P.M. or mail the following to the Washington Committee for Aid to China, 1410 E.St.NW

I wish to attend the China Aid Council Conference in N.Y.C.

Name
 Address
 Organization (if any)

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

BOOK REVIEW



Owen Lattimore's
 INNER ASIAN FRONTIERS OF CHINA

Published by the American Geological Society, New York City, 1940
 552 Pages plus Bibl. and Index

China's history is the product of conflict among the peoples of the river valleys, the steppes, the oases, and the plains of Eastern Asia. This is Lattimore's central thesis, which he develops in a work of great seriousness and exceptional ability.

Lattimore has developed a synthetic methodology, the aim of which is to explain all the political institutions and cultural forms of China in rational, causal terms. The categories which he uses are equally workable when applied to any other society. This is only another way of saying that Lattimore's history is valid history, free of racist or nationalist superstitions. Most of us laymen have learned only a smattering of Chinese history, a smattering concerned entirely with China's relations with the western powers. China has been presented to us in exotic and picturesque terms, in sentimental terms, and we have learned but little about the real springs of Chinese life. Lattimore offers us a treasure of information and interpretation of the kind we most need.

The thesis which Lattimore develops is neither geographical determinism nor technological determinism, although he lays great emphasis on geography and technology. He shows how technological problems gave rise to political conflicts, and how political, military, and religious institutions have developed out of the efforts of the Chinese and their neighbors to resolve these conflicts. He attempts to analyse the reasons why none of these institutions ever proved to be more than a temporary and unstable solution.

It would perhaps be impudent, in the face of the persistence of Chinese culture from immemorial times, to base a theory of Chinese history upon the thesis that Chinese political institutions have suffered from chronic instability. Yet the tragic crisis of the past three years derives from endemic weaknesses of the Chinese political system, and it is well to know just what these weaknesses are.

Of the prelude to the establishment of the Manchu dynasty, Lattimore has this to say: "Stability, therefore, was determined in the main by the soundness of the dynasty and its imperial administration within China proper, including the Chinese Pale of Lower Manchuria. Chinese dynasties did not normally weaken along the frontier until they had first decayed at the core. Imperial revenues dwindled in proportion as the power of the central government was weakened in the provinces by the overdevelopment of the 'scholar-gentry,' the landholding families from which the civil service or bureaucratic administration was staffed. When these families became powerful enough to put their private interest before their professional duty, they connived with each other in evading taxes on their own lands.

The imperial revenue immediately fell. To keep it from falling to fast extra revenues were collected from the poorer landholders and farmers, who had no political power. This produced an increase in mortgages, foreclosure, landlessness, and peasant unrest at the same time that the imperial revenue decreased and the power of the central government declined.

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

and at the same time that the scholar-gentry-bureaucracy developed their privileges and immunities more and more arbitrarily beyond the reach of the law... ..The ground was thus prepared simultaneously for internal rebellion and for Frontier unrest and barbarian incursions." That generalization is still useful.

Of the policy of the National government from 1927 to 1937, he says, "The prevailing policy was that of the Kuomintang, which had dropped some of the most vital principles of Sun Yat-Sen after the split with the Communists in 1927. Essentially the new policy,.....secondary imperialism, meant the abandoning of the attempt that had been made during the Great Revolution of 1925-7 to throw off all forms of foreign control. Instead, there was an attempt, under an alliance of the new (western-model) industrialists and bankers and the old landlords, to anticipate the wider spread of foreign control over China by subjugating the whole interior and hinterland under a Chinese conquest, led and controlled by the most highly organized Chinese groups. In Frontier questions, this meant treating all non-Chinese peoples beyond the Great Wall as conquered subjects in order to provide China with a margin of imperial expansion compensating for the privileges surrendered, in the coastal provinces, to foreign imperialism."

Lattimore makes a shrewd comment on Japanese penetration of Manchuria. "Open Door' principles had never been so emphatically upheld in Manchuria as in China proper, because the maritime nations as a group had made special allowances for Japan at this 'corner' in order that it might uphold the general interest in the maritime approach to China against the special interest of Russia in the overland approach."

Lattimore shows that the weakness of China was the inevitable result of the ascendancy of the landlords, bankers, and industrialists who leaned on foreign support. China's war of independence means the defeat of these parasitic elements. It seems that the traditions of the Great Revolution and of Sun Yat-Sen have been resumed, and that the peasants and the common people of China have taken their place as the most powerful progressive force in Eastern Asia.

U.S. OIL FOR JAPAN

In the September issue of China Aid News under the caption "Paging the Embargo" we mentioned some conflicting evidence as to the effectiveness of licensing high test gasoline. We have at last succeeded in getting some figures on exports from the United States to Japan.

| | July 1940
(in barrels) | August 1940
(in barrels) |
|-------------------|---------------------------|-----------------------------|
| Aviation gasoline | 13,880 | 6,310 |
| Motor " | 111,012 | 88,957 |
| Crude Oil | 1,193,337 | 887,239 |

These data show:

First: That exportation of aviation gasoline has been greatly curtailed but NOT stopped. Although newspapers announced a Presidential embargo on aviation gasoline in July, reports for August indicate that in that one month we shipped enough aviation gasoline to fuel 18 planes for a raid in Chungking and return every day for a whole year.

Second: That although shipments of motor gasoline decreased 20%, still enough was shipped in August to transport 1.3 billion pounds of war material from Japanese-controlled Shanghai to the war front.

Third: That crude oil shipments are 10 times as great as motor gasoline shipments. A fair refining system can make 50% gasoline from crude stock.

Summarizing then, we may say that during August, 1940, the United States was not only supplying Japan with materials essential for her war with China, but was arming her for a possible combat with the United States!

DID YOU HEAR?

Did you hear the broadcast, "New Walls for China," over WJAL on Saturday evening, October, 12? This program, in which such famous script writers, musicians and directors as William Saroyan, Arch Oboler, Earl Robinson, and John Latouche participated, was sponsored by the China Aid Council. If you heard the performance, and liked it, write to WJAL or to the NBC Network and express your appreciation, so we may have more of the same.

0408

DECLASSIFIED: E.O. 11652, 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 Settlement of the "China incident" by the Konoye cabinet.
Possibility of -; Encloses an article which appeared in the
CENTRAL DAILY NEWS in regard to the possibility of -

jb

793.94/16212

For the original paper from which reference is taken

See #855
(Despatch, telegram, instruction, letter, etc.)

Dated September 6, 1940 From China (Chungking) Johnson
To

File No. SEE 894.002/437

0409

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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 Japanese troops crossing from China into Indochina and
Japanese transports anchored in Tonkin Bay off
Kyangchowwan.

Unofficial estimates on -; Statements made by Chinese military
spokesman at a press conference held at Chungking on Sept
26 as summarized in the Central News Agency despatch giving-

jb

795.94/16215

For the original paper from which reference is taken

See Tel #489, 2 pm
(Despatch, telegram, instruction, letter, etc.)

Dated Sept 27, 1940 From China (Chungking) Johnson
To

File No. SEE 751g.94/174

0410

DECLASSIFIED: E.O. 11652, 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

JI

FROM

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

Nanking via N. R.

Dated October 3, 1940

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

Rec'd 11:55 a.m.

Secretary of State

Washington

102, October 3, 6 p.m.

It is learned from a fairly reliable source that
a considerable number of Japanese troops are being
despatched from the Nanking area to Canton. Approximately
4,000 men are said to have left for the destination
mentioned on October 1 and additional contingents
are reported scheduled to leave within the next few
days. The troops are understood to be fully equipped
and armed and accompanied by artillery and light tanks.

Sent to the Department; repeated to Chungking,
Peiping, and Shanghai. Code text by mail to Tokyo.

STANTON

HPD

793.94/16214

F/FG

0 4 1 1

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

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (no. 102) of October 3, 1940, from the American Embassy at Nanking reads substantially as follows:

A considerable number of Japanese soldiers who are understood to be armed and fully equipped and accompanied by light tanks and artillery are being sent to Canton from the Nanking area, according to information received from a fairly reliable person. It is said that about 4,000 of these troops left for Canton on October 1 and it is reported that within the next few days additional contingents are to leave.

793.94/16214
EQC KOK
FE:EQC:MHP FE
10/4/40

0412

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

12

TELEGRAM RECEIVED

HSM

This telegram must be
closely paraphrased
before being communi-
cated to anyone. (Br.)

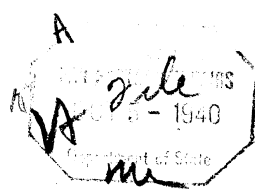
FROM Kunming via Chungking & N.R.

Dated October 2, 1940

Rec'd 9 a. m., 4th

Secretary of State,
Washington.

1075 to
Shanghai
Oct 2 - 1940
RHS



October 2, 6 a. m.

Yesterday Kaiyuan and Mangtze were bombed by 18
and 9 Japanese planes respectively. No information is
yet obtainable as to damage done.

Casualties from September 30 bombing of Yunnanfu
are now estimated at two or three hundred, with many
dead. Attacking planes on that day flew in a direct
south to north line across east side of the city, ap-
parently aiming at two foreign oil installations, the
railway station and Chinese governmental institutions
but few of the objectives were hit. Bombs were dropped
indiscriminately along the line of flight. Several
buildings along Chimpilu, principal commercial street,
were wrecked, including the Banque de l'Indochine. A
foreign residence in the Church Missionary Society
Hospital compound was completely demolished. The
Provincial Bureau of Reconstruction was largely destroyed.

Residences

793.94/16215

F/3

793.94
note
393.115

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

hsm -2- October 2, 6 a.m., from Kunming

Residences of Annamite railways employees near the station were damaged. Two bombs fell near the Standard Vacuum Oil Company warehouse, with no damage done. Many of the bombs released failed to explode. It is believed here that the raiders are still based on Waichow Island. There is a considerable rush to evacuate the city and many shops are moving their stocks to the country.

Sent to the Department. Repeated to Peiping.

PERKINS

PEG

0414

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

307

TELEGRAM RECEIVED

JR

GRAY

Tokyo via Shanghai & N.R.

FROM

Dated October 6, 1940

Rec'd 6:45 a.m., 7th.

Secretary of State,
 Washington.

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



951, October 6, 5 p.m.

Our 918, ¹⁶²⁰³ September 29, 4 p.m. July 7 incident.

During the course of a long conversation yesterday the Foreign Minister again brought to light the question of the July 7 incident in Shanghai and said that after our last talk on that subject he had again strongly urged the War Minister to instruct the Japanese authorities in Shanghai to go as far as possible toward meeting our views in order to reach an early settlement of the incident. He stated that the Japanese authorities were now prepared to agree to Colonel Peck's formula of September 4 with what the Minister termed slight modifications. He then handed me a typewritten copy of the Peck formula with the proposed modifications interlined in red ink by which the first sentence of the Peck formula would read as follows: "After an exchange of greetings, Colonel Peck will say to General Miura: 'My dear General, in view of the fact that you have previously expressed your regret that your gendarmes entered the American

793.94
 note
 793.1022

793.94/16216

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

308

-2- #951, October 6, 5 p.m., from Tokyo.

American Sector without proper authorization and having assured us that it will not recur, I have no hesitancy in expressing to you my deep regrets for our lack of courtesy in connection with the detention of Japanese gendarmes at the hands of the United States Naval Service. I feel certain, et cetera". The remainder of the formula is unchanged.

I said to the Minister that the proposed modification in the Peck formula still implies an admission of fault on the American side whereas the American side feels that it was not at fault, but that I would submit the proposed modification to Washington and Shanghai on the distinct understanding that the negotiations were to be pursued in Shanghai and that my efforts here were merely to facilitate those negotiations. The Minister concurred.

Sent to the Department via Shanghai.

TFV

GREW

041F

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

FE

TELEGRAM RECEIVED

HSM

GRAY

FROM Kunming via Chungking & N.R.

Dated October 5, 1940

Rec'd 8:35 a. m., 7th

COPIES SENT TO
O.N.I. AND M.I.D.
10/11/40 - RER

Secretary of State,
Washington.

R
A file is
10-10-40
Department of State
M

October 5, 11 a. m.

Local press on October 1st carried statement by
Chairman Lung Yun as summarized below:

Chairman Lung appealed to the civil population to
evacuate Kunming so as to avoid unnecessary sacrifices
in probable future air raids. He congratulated the
people of Yunnan on their patriotism and assured them
that a military plan to defend this province had been
carefully prepared in every detail. He hoped that the
population of the province will adapt themselves to a
wartime life and work toward the goal of victory for the
nation. He urged the people not to listen to rumors con-
cerning the destruction of the Hukow Bridge, such as that
the act was premature or not in conformity with Central
Government orders; its destruction was decided upon and
ordered by the Central Government, the time was left to
the provincial chairman who carried out the order when he

saw

793.94/16217

TI
TG

793.94
note
793.77

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

hsm -2- October 5, 11 a. m., from Kunning

saw fit. Two kinds of people are likely to have started such rumors: foreigners who own the railway and therefore wish to blame us, and merchants who have goods in Haiphong and find it impossible to transport them to Yunnan. Transportation was not a consideration in the destruction of the bridge and, in any case, the railway was already closed to goods traffic. The extinction of the bridge was effective to the defense of the province. The people should segregate truth from rumor and should not start rumors themselves as they thus (?) to extract and the (?) will help to stir up animosity and play Chinese against each other.

Sent to the Department. Repeated to Peiping.

PERKINS

CSB

0 4 1 8

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

~~FE~~

CORRECTED SECOND PAGE

-2- October 5, 11 a.m., from Kunming.

saw fit. Two kinds of people are likely to have started such rumors: foreigners who own the railway and therefore wish to blame us, and merchants who have goods in Haiphong and find it impossible to transport them to Yunnan. Transportation was not a consideration in the destruction of the bridge and, in any case, the railway was already closed to goods traffic. The existence of the bridge was a great danger to the defense of the province. The people should segregate truth from rumor and should not start rumors themselves as they thus fall into the enemy's trap which is to stir up animosity and play Chinese against each other.

Sent to the Department. Repeated to Peiping.

PERKINS

CSB

F.W. 793.94/16217

0419

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

15

HR

TELEGRAM RECEIVED

Chungking via N. R.

FROM Dated October 7, 1940

Rec'd 3:03 p.m.

Secretary of State
 Washington.

COPIES SENT TO
 O.N.I. AND M.I.D.
10/14/40 REK

X
 Division of
 FAR EASTERN AFFAIRS
 OCT 8 - 1940
 Department of State
W

508, October 7, 4 p.m.

Attacking for first time since September sixteen
 two groups believed to total twenty-seven Japanese
 planes attacked southwestern district of the city and
 area on the south bank of the Yangtze about one mile
 downriver from the Embassy at twelve fifteen p.m. yester-
 day. Casualties in the latter area are estimated at
 sixty including twenty-five killed. Casualties in the
 city are reported to have been light. Property damage
 was slight. The Embassy has received no (repeat no)
 reports of injury to American nationals or property.
 Property of the French Consulate damaged in the raid.

The press reports that Chengtu Szechuan was bombed
 on October 4 and 5 but the Embassy has received no re-
 ports of injury to Americans or their properties.

Sent to the Department, repeated to Peiping, Hankow,
 Shanghai. Shanghai please mail to Tokyo. Air mail to
 Kunming.

JOHNSON

CSB

793.54/16218

F/FC

793.94

*note
 702.5193*

0420

DECLASSIFIED: E.O. 11652, 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 Japanese military operations in North China: May, 1940.

For the original paper from which reference is taken

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

Dated June 6, 1940 From Tientsin (Fletcher)
To

File No. 893.00 P.R. Tientsin/145

U. S. GOVERNMENT PRINTING OFFICE 1-1540

FRG

703.94 / 16219

16219

0421

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

B. Relations with Other Countries

1. Japan

795-24
(a) Japanese Military Operations in North China. Japanese military operations were carried on over wide areas in Hopeh, Honan, and Shansi, with the campaign in the latter province being on a very large scale and of very great importance. A successful outcome of the Shansi campaign would give the Japanese a greatly strengthened strategic hold on North China. (PEKING AND HONGKONG TIMES, May 2).

0422

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Japan to construct a new order in East Asia including the South Seas and Japan's policy toward China to form an important part in the endeavor.

793.94/1620

For the original paper from which reference is taken

See Tel#948 10 p.m.
(Despatch, telegram, instruction, letter, etc.)

Dated Oct. 5, 1940 From Japan
+++ (Grew)

File No. 762.9411/99

042

DECLASSIFIED: E.O. 11652, 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 Immutability policy for the destruction of Chiang regime to be continued, regardless of obstacles, according to press, with reference to opening of Burma Road and joint British-American opposition.

For the original paper from which reference is taken

See Tel #960; 11pm
(Despatch, telegram, instruction, letter, etc.)

Dated Oct 9, 1940 From Japan (Grew)
To

File No. 893.24/900

793.94 / 1622

1622

0424

DECLASSIFIED: E.O. 11652, 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

MHO

FROM PLAIN

Chungking via N.R.

Dated October 10, 1940

Rec'd 3:58 p.m.

Secretary of State
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.
1940/10/10
REK

512, October 10, 1 p.m.

A brief account of the Central News agency report of General Chiang Kai Shek's message to the people and armed forces of China on the occasion of National Day (double tenth) follows: referring to the tripartite alliance General Chiang asserted that China will never recognize the "new order of greater East Asia" warned that any nation recognizing Japanese "leadership in greater East Asia" would regret such action. "Any agreement concluded with Japan affecting the Orient and opposed by the Chinese will have as much effect as an agreement between the Nanking puppets and their masters -- a mere scrap of paper" he said. General Chiang declared that China was ready to do everything in its power to frustrate Japan's attempt to enslave the Orient as a matter of self defense and national reconstruction. He once again elucidated the object of Chinese

793.94/16222

F/FG

793.94
193.00

OCT 11 1940
REK

0425

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

MHO

- 2 - 512, October 10, 1 p.m. from Chungking via N.R.

Chinese resistance -- the restoration of China's political and territorial integrity and of international justice and world peace -- and he said these must be achieved before China will lay down arms. He commented as follows on the future outlook "I once said 'no matter how the international situation changed it will work to the advantage of our war of resistance'. It is this because we have consistently taken a self-reliance and self strengthening in our struggle. The recent increased foreign assistance to China and simultaneous pressure against Japan bespeak my prediction. However, its greatest significance lies in the fact that the international situation is daily approaching the same ground on which the object of our resistance rests". Stating that China is approaching a final reckoning General Chiang said, "We should realize---that the present moment calls for greater courage and perseverance and further resistance and reconstruction. We must (one) unify our will, fortify our strength and establish a sound political foundation; (two) develop industrial enterprises, increase production and intensify our research and creative efforts so as to lay the foundation for a sound and independent economy; and (three) continue our efforts to build a strong army, promote industries,

042F

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

-3- No. 512, October 10, 1 p.m., from Chungking
industries, improve our armaments and develop
communications for national defense."

Sent to the Department, repeated to Peiping.
Peiping please mail to Tokyo.

JOHNSON

OSB

0427

DECLASSIFIED: E.O. 11652, 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

TELEGRAM SENT 309

TO BE TRANSMITTED

~~CONFIDENTIAL CODE~~

NONCONFIDENTIAL CODE

PARTIAL

PLAIN

NAVAL RADIO

Collect { Full rate
Day letter
Night letter

Charge Department:

Full rate
Day letter
Night letter

Charge to
\$

Department of State

Washington, S
October 4, 1940

AMERICAN CONSUL,

SHANGHAI (CHINA).

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

~~Tokyo 874, September 21, 3 p.m.; 894, September 25,
2 p.m.; and 918, September 29, 4 p.m.]~~

One. It is suggested that one further effort be made
at Shanghai to reach a local adjustment ^{of the July 17th incident.} For the purpose
of such effort, the Department suggests as a formula, if
the American naval authorities concur therein, in partial
substitution of Colonel Peck's suggestion of September 4
in regard to remarks to be made by Colonel Peck (Shanghai's
916, September 13, 3 p.m., third substantive paragraph),
somewhat
language along lines/as follows:

QUOTE I recall that, in order to meet the amenities
of the situation and as an indication of good will, you
previously expressed your regrets that your gendarmes en-
tered the American defense sector of the International
Settlement without notification to and prior authorization
from the appropriate American authorities and that you as-
sured me that such incursion will not recur. I, for my

Enciphered by _____

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

793.94/16222A

F/FG

793.94
note
1031028

GA

0428

DECLASSIFIED: E.O. 11652, 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
 PARTAIR
 PLAIN

Collect { Full rate
 Day letter
 Night letter

Department of State

Charge Department:

Full rate
 Day letter
 Night letter

-2-

Washington.

Charge to
 \$

part, have no hesitancy in stating that I regret that occasion arose for members of my command to arrest and detain a number of Japanese gendarmes found in the American defense sector of the International Settlement in plain clothes carrying concealed weapons on July 7, 1940. I am sure that you and I both feel that in our different methods of affording protection to General Nishio on that day we were animated by the same sincere sense of duty and of responsibility, and I am sorry that the Japanese Army has felt that it suffered loss of prestige in and because of this incident. I understand that it is your sincere desire that the incident be settled locally without further cause for displeasure on either side. I also sincerely desire that the incident be closed and I trust that we are in agreement that, in the light of all the circumstances, we may now consider it closed. UNQUOTE

Two. If this further suggested approach is made and does not repeat not meet with appropriate response on the part of the Japanese authorities, the Department is of the opinion that continuing efforts on the part of the American authorities would be both futile and inadvisable and that the matter might be let rest where

Enciphered by _____

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

0429

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

PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Collect { Full rate
 Day letter
 Night letter

Department of State

Charge Department:

Full rate
 Day letter
 Night letter

-3-

Washington,

Charge to

\$ it is.

Three. The Department has just received Tokyo's 951, October 6, 5 p.m. In the light of that telegram, the Department suggests for consideration that in the formula quoted in paragraph one above there be inserted after the words QUOTE I am sorry that UNQUOTE the words QUOTE the Japanese Army has felt that there was lack of courtesy in connection with the detention of Japanese gendarmes at the hands of the United States Naval Service and that UNQUOTE.

Four. It is our understanding as well as that of Mr. Grew that further discussions are to be proceeded with in Shanghai and that Mr. Grew's efforts in Tokyo and ours here are merely to facilitate those discussions.

Sent to Shanghai. Repeated to Chungking and Peiping. Shanghai please repeat to Tokyo.

Three

793.94/

64
 FE:GA:HES:MHP

FE

PA/H

Enciphered by _____

Sent by operator _____ M., _____, 19 _____

0430

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

12

TELEGRAM RECEIVED

MHO FROM Kunming via Chungking N.R.
This telegram must be
closely paraphrased be- Dated October 8, 1940
fore being communicated
to any one. (Br) Rec'd 11:25 a.m., 11th.

Secretary of State, *10/12 to
Shou-min
and
KCK*
Washington. *A*

October 8, 9 a.m. *K File U*

Yesterday shortly before 1 p.m. 25 Japanese
bombers accompanied by 6 pursuit planes attacked
the air port and other points south of the city.
Damage to the air field is stated not to be great.
The two cotton mills on the south circular road
near the electric light plant were partially
destroyed. A few bombs fell on other points in
the south city and there are reports of explosions
at diverse points outside, including one which fell
about half mile from the north gate. Casualties
from bombing are said to be very high; there are
also reports of strafing by machine guns. The
warning was unusually brief, consequently it is
believed that the invaders came from Indochina.
There was no damage to American civilians or property.
Sent to the Department via Chungking. Repeated
to Peiping.

UNSIGNED

TEV

793.94/16223

F/FG

793.94

0431

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

312

FE

~~FA~~

TELEGRAM RECEIVED

DFB

This telegram must be
closely paraphrased be-
fore bring communicated
to any one. (Br)

Hong Kong via N.R.

Dated October 14, 1940

Rec'd 9:46 a.m.

Secretary of State,
Washington.

387, October 14, 6 p.m.

Following from Kunming:

October 13, 7 p.m.

The northern section of Kunming was heavily
bombed today shortly after 2 p.m. by a squadron of
twenty-seven planes. Several bombs fell dangerously
near the Consulate, one hitting no more than fifty
yards to north of office. No one was in our compound
at time but heavy concussion was evidenced by the
breaking of several window panes, a large mirror in
the residence, shaking of plaster and dirt from walls;
five sections of wooden ceiling of entrance portico
fell.

Several buildings of Yunnan University and of
Southwest Associated University within the city were
hit. The residence of Colonel Chennauet was largely
destroyed and there was widespread destruction in the

northern

Telegram to Hong Kong

A

File

W

W

793.94/16224

F/FG

793.94
note
125.991H

0432

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

312

DFB -2- 387, October 14, 6 p.m., from Hong Kong via N.R.

northern residential section. No other damage to Americans is known. An additional six dive bombers participated in the raid, attack being centered on the cotton mills south of town, but reportedly without further serious damage.

Please repeat to Chungking and Peiping.

SOUTHARD

KLP

0433

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

214

| | | | | | |
|---|----------------------|---------------------|--|---|----------------------|
| PREPARING OFFICE
WILL INDICATE WHETHER | | TELEGRAM SENT | | TO BE TRANSMITTED | |
| Collect | Full rate | Department of State | | X | CONFIDENTIAL CODE |
| | Day letter | | | X | NONCONFIDENTIAL CODE |
| | Night letter | | | | |
| Charge Department: | | Washington, | | "Br" | PLAIN |
| Full rate | | October 14, 1940 | | NAVAL RADIO | |
| Day letter | | | | | |
| Night letter | | | | | |
| Charge to | AMERICAN CONSUL, | | | | |
| \$ | HONG KONG. via N. R. | | | | |
| INFO: AMEMBASSY, CHUNGKING (CHINA). | | | | This cable was sent in confidential Code. It should be carefully paraphrased before being communicated to anyone. | |
| AMEMBASSY, PEIPING (CHINA). | | | | | |

PRIORITY.

211 Your 387, October 14, 6 p.m.

Please repeat urgently to Tokyo Kunming's October 13, 7 p.m., with the suggestion, as from the Department, that the Embassy bring immediately to the attention of the Foreign Office this endangering of the American Consulate and its personnel at Kunming and request that prompt and effective steps be taken by the Japanese Government to prevent any possibility of a recurrence.

Sent to Hong Kong. Repeated to Chungking and Peiping. Hong Kong notify Kunming.

note
125.991H

H-20

344

793.94/16224

GA
FE:GA:HJN

VAA
FE

PA/H
Satt

Enciphered by _____

Sent by operator _____ M., _____, 19____

793.94/16224

F/HG

0434

DECLASSIFIED: E.O. 11652, 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. 19

See also

TO
AND M.L.D.
10/1/74

American consulate

Waton, China, August 13, 1940.

Subject: Recent Japanese military and naval activities in the Watow district; extent of occupation in the district.

The Honorable

Nelson Crusier Johnson,

American Ambassador,

Beiping.

| | |
|-------|---|
| Good | ✓ |
| Yeams | ✓ |
| OWH | ✓ |
| MD | ✓ |

Sir:

I have the honor to report that the Japanese military and naval forces have been active during the past fortnight in an endeavor to strengthen the coast blockade of this part of Kwangtung Province although the operations and subsequent events may appear, from all reports, to have been somewhat minor when compared with those which took place during the first half of 1939.

The local Japanese-controlled press reported on July 31 that Japanese forces had occupied "wabue (沙尾) and Takung (媽宮) under cover of naval guns and airplanes", that the Chinese troops had been defeated and that the "only remaining supplying route of Chiang's army in Kwangtung Province" had been cut off. The Asahi news agency (Japanese) reported along the same general lines and hailed a great victory. The Asahi Shimbun (Japanese) reported that the

Wabue

795.04/10-125

F/FG

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

-2-

Due and Nakung were occupied only after Chinese troops had inflicted heavy losses on the invaders and continued by stating that Japanese forces were eventually driven back to the naval vessels which were buffeted about by a typhoon.

According to two members of the United Presbyterian Mission at Wabue, who arrived at Swatow yesterday, the rival reports issued by Japanese and Chinese sources were rather exaggerated. The missionaries had planned to leave their station on July 27 but decided to remain when five Japanese destroyers were seen approaching Wabue early that morning.

Several Japanese planes appeared shortly afterwards and bombed the outskirts of the town whereupon many of the inhabitants departed for the country in haste. A force of about 400 men was landed from the vessels and met with no resistance. According to the missionaries there were no defense works at Wabue and for some time there had been very few, if any, Chinese troops in the town.

The Japanese troops remained ashore throughout the day and occupied themselves by breaking the doors and windows of many shops, taking away rice stocks, provisions and other useful articles. The troops also passed the day by distributing leaflets warning the inhabitants that they would be severely punished if, in the future, they were found guilty of trading with the enemy. For many months native junks have been traveling between Hongkong and Wabue carrying rice,

petroleum

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

-2-

petroleum products, tungsten (found in Kwangtung
 province) and other commodities. The troops em-
 barked on the naval vessels later in the day and
 left Swatow that evening. On the following morning
 a severe typhoon hit the town and considerable
 damage was caused since the doors and windows of
 many shops had been broken by Japanese troops. The
 missionaries stated that there was no typhoon anchor-
 age at Swatow and that it was fortunate, for the
 Japanese, that the vessels departed the previous
 evening.

Before their departure several Japanese officers
 and newspapermen visited the mission and in general
 conversation remarked that the Japanese were "sur-
 prised" at the partial evacuation of Hongkong because
 the Japanese military or naval forces had no inten-
 tion of moving against the crown colony.

On the morning of August 10 a Japanese naval
 vessel appeared at Waimun (海門), in the Chaoyang
 (潮陽) region near Swatow. Planes were observed
 from Swatow diving over the town and shelling was
 heard during the day. Definite news has not yet
 been received from that place although Japanese re-
 ports in the local press claimed that all Chinese
 troops had been dispersed and another "supplying
 route" had been blockaded.

During the past few days Japanese planes have
 been flying over Swatow in the direction of Canton
 where, according to local rumor, there has been a

large

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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-

large concentration of planes. On August 11 twenty-
three light bombers and today, August 13, eleven
planes circled over Swatow in formation and at a
high altitude before continuing towards Canton.

In connection with the flight of planes to
Canton the missionaries from Swatow brought a story
obtained from villagers during their six day trip
overland to Swatow. A large Japanese transport plane
crossed several weeks ago at a point about half-way
between Canton and Swatow and the six Japanese sur-
vivors endeavored to make their way to Canton. Villagers
accustomed to a peaceful existence were greatly
excited by the appearance of the uniformed Japanese,
believing them to be part of an army, and spread the
news over the countryside. According to the story
the Japanese were eventually captured and sent to the
provincial capital, Shinkwan (韶關).

A rough map of this consular district is enclosed.
The Japanese occupied zone consists mainly of a narrow
strip of territory between the former railway and the
San River, about 30 miles long, linking the two occu-
pied cities, Swatow and Chaochowfu. This territory
is loosely held and frequent attacks are made by
Chinese guerrillas on the small Japanese garrisons, 30
men or less, between the cities. Chaochowfu is a walled
city and the one gate open during the day is closed at
night. Shinkwan (澄海) has in the past been occupied
by a small Japanese garrison but at the present time is
garrisoned by a small force of Chinese puppet troops.

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

...
 ... **達濠** ...
 ...
 ... TOWN ...
 ...

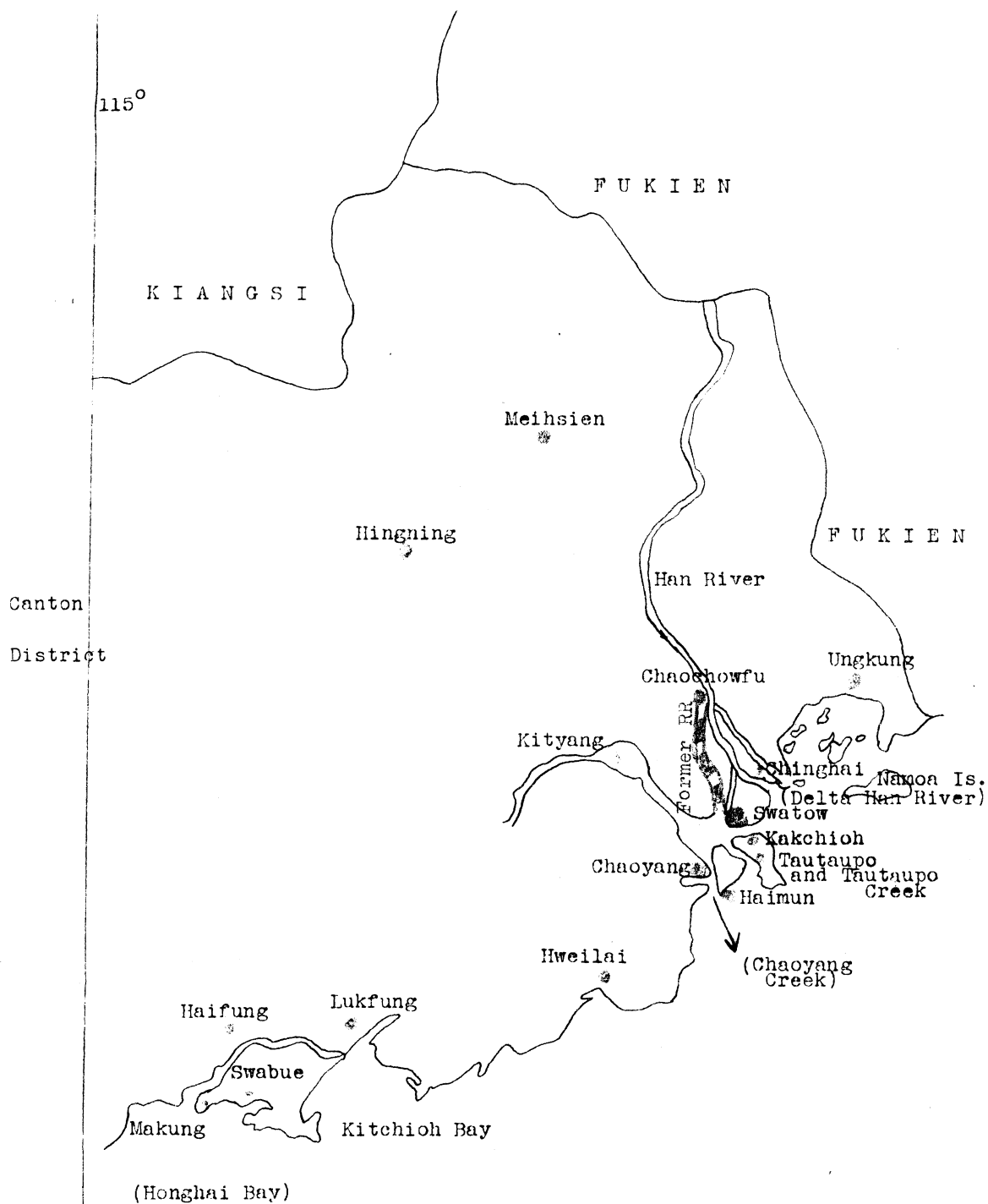
... only ... in this district ...
 and ... destroyed by the ...
 prior to the ... of the ... since
 been converted to the Japanese into a ...
 transportation of troops and supplies to the ...
 ... another road follows the river but is ...
 ... the new road enabled the ... to ...
 ... the occupied zone between the ...
 ... are even on the alert because the ...
 ... troops ... do not exceed ...

... road ... to ...
 ... **黃岡**, on the ...
 ... **揚陽** ...
 ... triangle ...
 ... number of troops
 ... the realization of ...
 ... their lines would be over-extended. ...
 ... of troops in this district it ...
 ... the coalition of the Japanese would be precarious
 ... decided to take the offensive.
 ... reports from the unoccupied area, however,
 ... that the Chinese regular troops and guerrillas

are

...
 ...
 ...
 ...

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



0441

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

TELEGRAM RECEIVED 315

RDS

FROM

ONLY

TELEGRAPH VIA N.R.

COPIES SENT TO
 O.N.I. AND M.I.D.
 10/15/40 REK

October 14, 1940

Rec'd 5:30 p.m.

Secretary of State,
 Washington.

1033, October 14, 5 p.m. 10222a
 Department's 459, October 8, 6 p.m. in regard to
 July 7 incident.

The American naval authorities consider the Department's suggested formula satisfactory and I concur. However, it may be that the local Japanese desire to drop the matter considering that they have made no reply to Colonel Peck's suggestion contained in my 916, September 13, 3 p.m. We feel that the next move rests with the Japanese. We also doubt whether the Department's formula would prove acceptable to the Japanese since it contains nothing more (?) in context than previous suggested formulas unless the Japanese attitude has changed.

In the light of the foregoing no further approach will be made by us unless the Department so instructs.

It may be noteworthy that the local Japanese are awaiting instructions from Tokyo after the Minister for Foreign Affairs is informed of the American reaction to his

793.94
 note
 793.1028

Telegram to Tokyo
 File
 A H
 WAA

07791/46-061

NOV 1 1940
 C-1

57

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

316

-2- #1086, October 14, 5 p.m., from Shanghai via N.R.

his suggestion contained in Tokyo's 951, October 6, 5 p.m.

Sent to the Department. Repeated to Chungking, Peiping and Tokyo.

BUTRICK

END

79.917

0 4 4 3

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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

TELEGRAM SENT

317

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 X NONCONFIDENTIAL CODE X

Collect { Full rate
 Day letter
 Night letter

Department of State

"Gray" PLAIN

Charge Department:

Full rate
 Day letter
 Night letter

AMERICAN CONSUL,

Washington,
 October 17, 1940

Charge to
 \$

SHANGHAI (CHINA).

INFO: AMEMBASSY, PEIPING, CHUNGKING.

Your 1086, October 14, 5 p.m.

Notwithstanding the fact, as pointed out by you, that the Japanese authorities at Shanghai have made no direct reply to Colonel Peck's suggestion mentioned in your 916, September 13, 3 p.m., it seems to the Department that the Japanese Government may consider that the suggestion from the Japanese Foreign Minister (Tokyo's 951, October 6, 5 p.m.) ^{call for} ~~is entitled to~~ a reply and we accordingly feel that a further initiative on our part at Shanghai would not repeat not be inappropriate. In view of the mutual desire that this matter be handled locally, the Department considers it logical and in various other respects preferable that the next move be made at Shanghai rather than at Tokyo. Unless you and the American naval authorities perceive serious objections, in which case you should inform the Department so that consideration may be given to issuing further instructions to Tokyo to act, the Department desires that the suggestions contained in its 459 of October 8, 6 p.m., be carried out. It is further suggested that the approach to the Japanese authorities might be prefaced by an appropriate reference to the initiative of the Japanese

Enciphered by _____

Sent by operator _____ M., _____, 19____

0 4 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

PREPARING OFFICE
WILL INDICATE WHETHER
Collect { Full rate
Day letter
Night letter
Charge Department:
Full rate
Day letter
Night letter

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

-2-

Washington,

Charge to
\$ Foreign Minister as described in Tokyo's telegram above
cited.

Sent to Shanghai. Repeated to Peiping, Chungking.
Shanghai repeat to Tokyo.

793.94/16226

FE:JWB:JPS

Enciphered by

Sent by operator

M.,

19

0445

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese hostilities: Situation report on developments
for the month of August, 1940.

793.94/16226 1/8

For the original paper from which reference is taken

See #277 to Embassy
(Despatch, telegram, instruction, letter, etc.)

Dated Sept 6, 1940 From Tsinan (Hawthorne)
To

File No. 893.00 P.R. Tsinan/132

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

2. Japan.

a. Military situation.³

Encounters

1. Cf. Consulate's telegram to Embassy of August 12, 12 noon and its despatches nos. 271 and 273, file 800/820.02 (copies sent to Department).
2. Cf. Consulate's despatch to Embassy no. 269, file 800/820.02 (copies sent to Department).
3. Cf. Consulate's telegrams to the Embassy of August 5, 1 p.m., August 19, 12 noon and August 26, 5 p.m.

795.44

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

- 2 -

Encounters between small units of Chinese and Japanese forces occurred in the Jihohao, Tenghsien and Chanhwa districts of Shantung, as well as at Tsitung, 20 miles northwest of Chowtsun, during August. While admitting that Tsitung was subjected to a surprise attack on the night of August 10-11, the Japanese claim that Chinese reports "misrepresented the situation" at that place. These were to the effect that the city was temporarily occupied, following the defeat of the local garrison composed of Japanese troops and their Chinese satellites, and that puppet government buildings and military supplies were captured or destroyed.

Chungking reports that Taierchwang, southern Shantung scene of an important Chinese victory in 1938, had been retaken by the Chinese were neither confirmed nor denied by the Japanese military authorities in Tsinan.

Taking advantage of the protection afforded by tall crops at this time of year, guerrilla activities were greatly intensified. Railway "accidents" and traffic delays due to damaged tracks were more frequent than at any time since 1938, while night passenger trains were occasionally fired on. To escape the vengeance of the Japanese, who are endeavoring to impose a system of regional responsibility for the maintenance of order, all able bodied men in the vicinity of such guerrilla operations against the railways threw in their lot with the guerrillas. As an example of the boldness of small raiding parties (encouraged no doubt by intelligence as to the exact nature and extent of resistance to be expected at any given moment), the railway station at the important town of Chowtsun was raided on the night of

August

DECLASSIFIED: E.O. 11652, 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 -

August 21-22, when five Japanese, including one officer, and two Chinese puppet police were killed, it is reliably reported. Boat traffic on the Siaotsing River was likewise interfered with by guerrillas (or Chinese troops) and it again became advisable temporarily to suspend navigation on that stream.

That the Japanese are weary of the task of pacifying Shantung, or that, as seems probable, they anticipate that their forces in this area may soon be required for more important operations, ¹ is disclosed by the fact that during recent semi-weekly sessions of the "Administrative Council of the Provincial Government" the Japanese members have repeatedly stressed that the purpose of the Japanese Army is to fight the armies of Chiang Kai-shek, and not "bandit suppression", which must be carried out by the provincial authorities. The defection of additional Japanese trained and equipped Chinese puppet troops during the month must therefore have been all the more disappointing to the self-appointed guardians of China's destiny.

From all parts of this consular district come reports of the presence of the 8th Route Army, which seems to be spreading its influence and propagating the Communist doctrine among the people, often cruelly torturing the leaders of villages which appear reluctant to embrace the new tenets, it is said. In as much as the Japanese have apparently never had a serious clash with the 8th Route Army in Shantung, it can only be inferred that these Communist encroachments have at least the tacit approval of the Japanese, notwithstanding the latter's avowed concern lest China become "tainted." But this

aloofness

1. Cf. Consulate's telegram to Embassy of August 5, 1 p.m.

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

- 4 -

aloofness will probably be maintained by the Japanese Army only so long as the 8th Route Army continues to fight Japan's battles by opposing the other armed Chinese forces in this consular district.

In this relation, the 8th Route Army during August clashed with National Government troops (under Yu Hsueh-chung?) northeast of Peih sien, in southern Shantung, with Liu Kuei-t'ang's followers, northwest of the same town, and with Shih Yu-san's troops in southwestern Shantung, according to reports.

That the Japanese are prepared to play one Chinese faction off against the other, however, is indicated by the fact that the Chinese troops mentioned in the Consulate's telegram to the Embassy of August 5, 1 p.m. have so far not been molested by the Japanese military. According to Chinese sources, this is accounted for by the fact that the troops in question have as their immediate objective the overthrow of the Communists, which intelligence has reportedly been duly communicated to the Japanese. In any case, continued dissension in the Chinese ranks can only be looked upon as most unfortunate, as a suitable opportunity may thereby be afforded the Japanese Army to eradicate all important potential opposition in this part of China. At best, it will enable Japan to continue to sit astride Shantung's communication system and to control the important economic resources with the use of a relatively small number of troops.

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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 hostilities; goodwill mission to Japan.
Developments of month of Sept., 1940, encompassing-

793.94 / 16226 2/8

For the original paper from which reference is taken

See #63
(Despatch, telegram, instruction, letter, etc.)

Dated Oct 4, 1940 From Swatow (Peking)
To Oct 4, 1940

File No. 893.00 P.R. Swatow/154

PS/NFM

DECLASSIFIED: E.O. 11652, 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.

793.94
 1. Sino-Japanese Hostilities. September was very quiet from a military point of view and it is surmised locally that important operations elsewhere may have been responsible for this inactivity.

Guerrilla skirmishing to no very noteworthy extent continued in the neighborhood of Chaochowfu (潮州府), although there was a rumor among the Chinese that pressure on the Japanese was to be increased, probably to create some diversion from activities in the south. This rumor was strengthened by a report from a foreign source that the number of Chinese soldiers in the Kityang (揭陽) area was increasing.

American missionaries declare that the Hingning (興寧) section is being used for training recruits, estimated at one thousand, for service on the active fronts, and that the period of training has been reduced from six weeks to four.

2. Goodwill Mission to Japan. A "goodwill mission" of 12 Chinese officials, headed by the Administrative Supervisor of Eastern Kwangtung (whose title was formerly pacification supervisor of Eastern Kwangtung) left for Japan via Formosa on a trip to last until the end of October. The mission comprised officials who, according to the

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

-4-

the local press, had "successfully promoted Sino-Japanese friendship" since the occupation, and was accompanied as far as Taiwan by the Japanese Consul.

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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 Military operations in North China.

Report on political and military situation in China,
for September, 1940, (not including Manchuria)
contains information on,-

FLH

For the original paper from which reference is taken

See desp # 2911
(Despatch, telegram, instruction, letter, etc.)

Dated October 23, 1940 From China (Smyth)
To

File No. 893.00-PR/178

793.94 / 16226 3/8

PS/MFM

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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 hostilities.

Summary of - for September 1940. (Copy of political report
 for September, 1940, sent to Embassy at Peiping.)

mjd

For the original paper from which reference is taken

See #2554 to Embassy
 (Despatch, telegram, instruction, letter, etc.)

Dated October 15, 1940 From Shanghai (Butrick)
 To

File No. 893.00 P.R. Shanghai/144

7.3.4/16226 4/8

PS/MFM

045

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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 Japanese military withdrawals from South China.

Instructs to telegraph information available, concerning -,
and keep the Department informed of significant
developments.

mn

For the original paper from which reference is taken

See tel # 6, 4 p.m.
(Despatch, telegram, instruction, letter, etc.)

Dated Nov. 6, 1940
From ~~XXXXXX~~ To
Saigon (Hanoi)

File No. 75lg.94/ 242a

7-04/16226 5/8

16226 5/8

PS/MFM

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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 conflict: developments of month of Oct., 1940.

For the original paper from which reference is taken

See 11-
(Despatch, telegram, instruction, letter, etc.)

Dated Nov 9, 1940 From Canton (Myers)
 To

File No. 893.00 P.R. Canton/153

793.94 / 16226 6/8

PS/MFM

0457

DECLASSIFIED: E.O. 11652, 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 -

I. GENERAL SUMMARY:

The Headquarters of the Japanese South China Command announced a voluntary withdrawal of Japanese forces from Nanning on October 28th. The explanation that occupation of Nanning was no longer necessary because of newly acquired bases in Indo-China appears plausible, but the local Chinese population accepted news of the withdrawal as evidence of a Chinese victory. At the end of October various rumors including those concerning the evacuation of other occupied cities were current, but appeared to be without foundation.

The extent to which Japanese garrisons had been weakened by withdrawal of troops for use in Indo-China could not be ascertained.

Naval forces attacked various coastal points in southwestern Kwangtung in efforts to check movement of goods into unoccupied areas and to Hainan Island.

Japanese aircraft continued to bomb roads and bridges in western Kwangsi. Sporadic fighting between Chinese and Japanese forces occurred along the perimeter of the occupied zone and on Hainan Island.

The Pearl River remained closed to third power commercial navigation. Reports emanating from Japanese sources indicated early reopening of the river for limited passenger service.

Beginning October 15 commercial cargoes carried by Japanese so-called "army transports" were declared subject to limited Customs control.

0458

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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 Japanese have up to now observed terms of agreement regarding Indochina, but French Military Attache believes they will ignore the agreement and occupy as much of Indochina as they require for southward move which he believes imminent.

For the original paper from which reference is taken

See Tel.#1160, 5pm
(Despatch, telegram, instruction, letter, etc.)

Dated Nov. 16, 1940 From Japan (Grew)
To

File No. 751g.94/244

U. S. GOVERNMENT PRINTING OFFICE 1-1540

hr

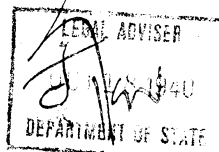
793.94/16226 7/8

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0459

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

TELEGRAM RECEIVED



JR

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

Dated October 15, 1940

Rec'd 10:15 a.m.

Secretary of State,

Washington.

RUSH.

997, October 15, 10 p.m.

Department's 211, October 14, 6 p.m., to Hong Kong
received here at 9 p.m., today. Failing to get in touch
with the Foreign Minister, I immediately called the Vice
Minister on the telephone and after describing the bombing
of Kunming on October 10, the damaging of our Consulate
and the endangering of its personnel I asked, under
instructions, that prompt and effective steps be taken
by the Japanese Government to prevent any possibility of a
recurrence. Mr. Ohashi said that he would take steps
immediately. Sent to the Department. Repeated to Peiping
and Hong Kong. Hong Kong please repeat to Kunming and
Chungking.

PEG

GREW

793.94/16227

F/FG

793.94
note
125.991H

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

TELEGRAM RECEIVED

HR
 This telegram must be
 closely paraphrased be- **FROM**
 fore being communicated
 to any one. (Br)

Kunming via Chungking & NR

Dated October 14, 1940

Rec'd 3:10 a.m., 15th.

Secretary of State,
 Washington.

October 14, 3 p.m.

My October 13, 7 p.m.

Although the press reports that machine guns from
 the attacking planes strafed near the American Consulate
 no evidence of this was found in the Consulate. However,
 many small fragments of shrapnel and pieces of outside
 stone have been found in the compound; further effects of
 nearby bombing have been found in fallen tiles which
 demonstrates concussion force. This raid was the most
 destructive to date, as more and heavier bombs were re-
 leased than previously. Residential property damage in
 the northern and western sections was particularly
 heavy, although the press reports loss of life as small.
 Forty-two planes are stated to have entered the province,
 with flat and dive bombers and pursuit planes all used
 against this city. Chinese pursuit craft apparently
 did not participate. The populace continues to remove to
 the countryside in large numbers, while a great pro-
 portion of those still living in the city go out each
 morning

*10/17 to MTO
 Shown to MTO
 OK KCK*
BB
File
am

733.94/16228

F/FG

*103.94
 to
 1,5.991H*

U - LIAISON OFFICE
 OCT 22 1940
 DEPARTMENT OF STATE

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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

HR -2- Tel.#-, October 14, 3 p.m. from Kunming via
Chungking & N. R.

morning and return to work in the afternoon.

Sent to the Department via Chungking. Repeated to
Peiping. Peiping repeat to Tokyo.

UNSIGNED

TFV

DECLASSIFIED: E.O. 11652, 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

MHO FROM Peiping via N.R.
 This telegram must be Dated October 15, 1940
 closely paraphrased be- Rec'd 3:38 p.m.
 fore being communicated
 to any one. (Br)

Secretary of State,
 Washington.

383, October 15, 4 p.m.
 Yunnanfu's October 13, 7 p.m. and Department's
 211, October 14, 6 p.m. to Hong Kong.
 Representations made to Japanese Embassy here today.
 Map of Consulate at Yunnanfu sent to Japanese Embassy
 here on November 9, 1938.
 Sent to the Department. Repeated to Chungking.
 Code text by air mail to Tokyo.

SMYTH

TFV

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 note
 125.9415

793.94/16229

F/FG

0463

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

南開大學經濟研究所
 NANKAI INSTITUTE OF ECONOMICS

NANKAI UNIVERSITY

SHANGHAI, CHUNGKING



August 7, 1940

My dear Mr. Grady,

I want first of all to offer my much belated congratulation upon your assumption of the office of Assistant Secretary of State of the United States. This has given me greater pride than ever, for the fact that I am fortunate enough to have been a student of yours. The news first came to me in a dispatch in a local Chinese newspaper, but the fact that your name was rendered in Chinese in the paper did not assure me of it; but it was subsequently confirmed by enquiries. And I want to thank you for the very kind words upon my marriage two years ago; my wife prizes that letter of yours very much.

Last October I came from Kunming to this War Capital for taking charge of the graduate school in this Institute; it is the largest and, if I may say so, the best graduate school of economics in whole China. Our program aims at giving the students a rather thoro-going theoretical training so that they are to be equipped with many necessary tools for clear thinking on economic matters. Only masters' degrees are granted, after the minimum requirements of two years' residence.

Our work proceeded very well until the Japanese started daily bombing of Chungking about three months ago. Almost every day they come in groups of 26 or 36 bombers with as many as 165 altogether. Destruction is terrific. Fortunately, Chungking is a very hilly country, all "dug-outs" are built underground at the foot of the hills so that when alarm is given for coming air-raid everybody goes into a dugout and life is therefore not in much danger. But on the average the hours under air-raid alarm are long (about 4 hours a day) and it is a tremendous waste of time. Besides, these dugouts are naturally very damp, people easily get sick as a result of it, particularly when the outside temperature is around 100 degrees (F) and the difference in temperature inside and outside amounts to about 20 or 30 degrees. However, the worst effect lies in the great destruction of properties, properties which after three long years of war by this time have already been reduced to a minimum amount which thus becomes, as it were, part and parcel of one's existence. For example, I really don't know what would become of me if my typewriter, notes, books, and beddings as well as the house were totally destroyed! (The dugouts are so congested that one cannot very well bring all his belongings in there.) The very grim sights given by the Life pictorial magazine of the present European war are normal scenes over here.

7/33.94/16230

F/FG

7/33.94
 note
 11/1/82
 J. H. H.

0464

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

南開大學經濟研究所
 NANKAI INSTITUTE OF ECONOMICS
 NANKAI UNIVERSITY
 SHAPINGPA, CHUNGKING, CHINA

But bombing, severe bombing, does not break the Chinese spirit of resistance at all; on the contrary, it intensifies their hatred of the Japanese. All offices, governmental and private, start working hours at 5 in the morning so that work will not be much interfered with by air-raids. All of us know only too well that we cannot win the war by mere military power; but we know we can hold on until international situations develop to our advantage. It is clear by this time that the Japanese cannot, for example, wage another war against the States or the Soviets. In these few days Japan's relation with Britain is greatly strained as a result of the sudden and mysterious death of the Reuter's reporter at Tokyo, and it seems rather definite that Japan has definite designs for taking over the East Indies through the way of French Indo-China. I believe the United States must be getting more and more concerned over the situation, for her position and leadership in the Pacific Basin is definitely threatened. Should the States sometime in the future come out openly to deal with the Japanese, it will be more--much more--for this reason than for any other. All of us over here entertain the hope that the recent American embargo of petroleum and scrap iron exports to Japan is but a prelude to a definite action.

After returning to China for about four years by this time I wish very much to go to the States again by some means or arrangement when the war is concluded. I have devoted my whole energy to academic work and for the time being see no great justification to join the government, though there have been many calls to that effect. I am happy to inform you that an article of mine, on "The Theory of International Trade under Silver Exchange," has appeared as the leading article in the August (1939) issue of Harvard's Quarterly Journal of Economics. Needless to repeat, however, that my intellectual indebtedness to you is beyond words or expression.

Recently the editorship of the Nankai Social & Economic Quarterly, the most outstanding journal of this kind in China, has been forced upon me. I have an idea to make it more and more of a technical journal with the economic life in the Pacific Basin as the object of reference. While I hesitate to ask you for contribution to the Quarterly, let me assure you that any article from you or from anyone who through your experience will contribute will not only be an honor and encouragement to us but also to all economists and economic students in whole China.

Very respectfully yours,

Choh Kwei

Mr. Henry F. Grady
 Department of State
 Washington, D. C.
 U. S. 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

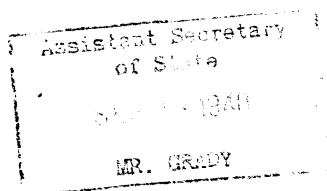
DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

September 27, 1940

Mr. Grady:

Reference attached letter of August 7, 1940, from the Dean of the Hankai Institute of Economics.

Since there appears to be a hyphen between "Choh" and "ling" in the signature of your correspondent, we assume that his surname is "li". However, if this assumption is incorrect and he has followed Chinese custom in signing his surname first, we shall be glad to have the letter retyped and addressed to Dr. "Choh".



GA
 FE:Atcheson:OJL

FE

0466

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

My dear Dr. Li:

Thank you very much indeed for your letter of August 7, 1940, and for your kind words of congratulation in regard to my appointment as Assistant Secretary of State.

793.94

I am very glad to have news of you and have found of much interest your account of your activities and of the trying conditions under which you live and work at Chungking. Inspiration has come to many of us from what we hear and know of the remarkable courage, determination, persistence and resourcefulness of China's educational leaders in successfully moving the great universities from their seats to new locations in west China and in establishing and developing those institutions anew under circumstances of danger and other adversities. Our interest in developments in China is, of course, well-known as is the fact that we here have tried and are continuing

Dr. Li Choh-Ming,
Nankai Institute of Economics,
Nankai University,
Shapingpa, Chungking, China.

793.94/16230

F/FG

0467

DECLASSIFIED: E.O. 11652, 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-

continuing to try to be helpful when and where appropriate and practicable within the framework of our laws and traditional policies.

I much appreciate your request for an article by me for the Nankai Social and Economic Quarterly and regret that the pressure of official duties in these strenuous times does not permit me to undertake writing outside that connected with my official work.

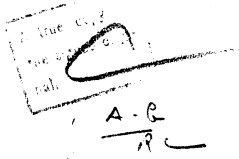
With all good wishes for your continued success and kindest regards, I am

Sincerely yours,

HENRY F. GRADE

GA
FE:GA:HJN
9/26

FE

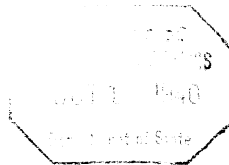


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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

PHONE WAVERLEY 8953

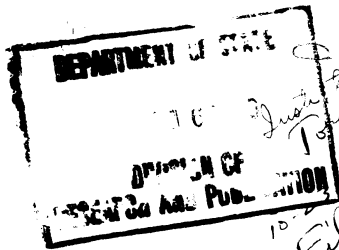
DR. F. E. KEEP
 MINING ENGINEER
 85 RICHMOND STREET WEST
 TORONTO 2, ONT.



1940 OCT 11 AM 3 31

9th. October, 1940.

U.S. Secretary of State,
 Washington, D.C.,
 U.S.A.



Sir,

I should be deeply obliged if you could inform me whether at any time within the last ten years the United States Government or any accredited party acting for that Government asked the co-operation of Great Britain in any suggested steps to halt Japanese aggression on the Asiatic mainland.

793.94

There has been for several years a rumour that the U.S. Government, acting through ~~Admiral~~ ^{Senior} Stimson, requested the co-operation of Great Britain in an attempt to prevent the Japanese occupying Manchuko but that Great Britain refused to help in any form of coercion of Japan. I have been quite unable to trace any such negotiations but am continually hearing that they took place so am taking the liberty of approaching you with a request that you will put me in touch with any publications or documents which prove or disprove the rumour.

Apologising for troubling you I am

Yours faithfully,

F. E. Keep

OCT 2 1940

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

January 30, 1940

To the

American Consular Officer in charge,
Toronto, Ontario, Canada.

The Secretary of State encloses a copy of a letter of October 9, 1940 from Dr. F. E. Keep, 85 Richmond Street West, Toronto 2, in which Dr. Keep requests assistance in locating publications or documents bearing upon a question that he asks in regard to American-British relations with reference to Japan.

7394/16231
If no objection is perceived, the Consular Officer in charge is instructed to make an appropriate acknowledgment to Dr. Keep of the receipt of his letter; to transmit to him, as of possible assistance, the enclosed copies of the January 30 and March 5, 1932 issues of the Department's weekly pamphlet (formerly Press Releases, now the Department of State Bulletin); and to invite his attention to the statements made on pages 97 and 240-242 of these issues. The Consular Officer in charge is also instructed to suggest that the reference librarian of a nearby public library may be in a position to direct Dr. Keep to sources containing additional information on the subject in which he is interested, including Mr. Henry L. Stimson's The Far Eastern Crisis (New York, published by Harper and Brothers for the Council on Foreign Relations, 1936).

In

7394/16231

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0470

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

-2-

In addition, the enclosed copies of the pamphlet
Conditions in Manchuria and the list entitled Publications
of the Department of State should be transmitted to
Dr. Keep.

Enclosures:

1. From Dr. Keep,
October 9, 1940.
2. Press Releases
(Publications 280 and 299).
3. Conditions in Manchuria.
4. Publications of the Depart-
ment of State.

OCT 30 1940

RP:WG:EM:SS

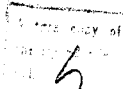
10/22/40

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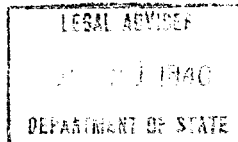
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

MHO

TELEGRAM RECEIVED

GRAY



Tokyo

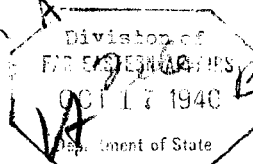
COPIES SENT TO
O.N.I. AND AID
10/17/40 RSK

FROM

Dated October 16, 1940

Rec'd 11:40 a.m.

Secretary of State,
Washington.



1000, October 16, 5 p.m.

Reference my telephone conversation last night
with Vice Foreign Minister regarding bombing of
Kunming on October 13.

The Vice Foreign Minister has just called me
on the telephone and given me the following message:
"I took the matter up with the Navy Department. On
October 13 naval air forces raided Kunming; and if
damage was done to the American Consulate, it might
be a result of that raid. The navy will see to it that
the bombing of American Consulate is not (repeat not)
repeated. Such incident will not (repeat not) be
repeated."

Sent to the Department, repeated to Peiping and
Hong Kong; Hong Kong please repeat to Kunming and
Chungking.

GREW

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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

LEGAL ADVISER
 OCT 21 1940
 DEPARTMENT OF STATE

EMS

PLAIN

FROM

Chungking via N. R.

Dated October 17, 1940

Rec'd 3:15 a. m.

COPIES SENT TO
 ONE ADDITIONAL
 10/17/40 REK

Secretary of State,
 Washington.

RECEIVED
 OCT 17 1940
 DEPARTMENT OF STATE

520, October 17, 9 a. m.

One. Japanese planes reported by the press to
 number only three dropped several bombs in an area
 of Chungking adjacent to the Kialing river at approxi-
 mately 6:20 yesterday evening.

Two. The representative of the American Methodist
 Episcopal mission has reported: "A direct hit was scored
 on the Methodist Union hospital, demolishing a large
 part of the left wing of the main building. Number
 of patients and members of the staff very narrowly escaped
 injury or death but fortunately there were no casual-
 ties. Earlier all were in the dugout. One doctor
 in the basement was struck down and buried under the
 debris of three floors but miraculously escaped serious
 injury. The damage to this building is roughly estimated
 at fifty to one hundred thousand dollars, national
 currency.

Other buildings in the compound, the W.F.M.S.
 residence

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OCT 21 1940

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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

EMB 2 No. 520, October 17, 9 a. m. from Chungking
residence, our own residence, and the girls school
building now used as a residence for refugees and workers
were damaged by concussion, ceilings down, windows
and doors smashed, etc."

Sent to the Department. Repeated to Peiping,
Hankow, Shanghai. Shanghai please repeat to Tokyo.

JOHNSON

EMB

0 4 7 4

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino-Japanese Conflict.

Results of an appeasement policy by the United States and Great Britain towards Japan on -; Memorandum of conversation between Mr. Hornbeck and Mr. Richard G. Casey, Australian Minister in connection with -.

jb

735.94/16254

For the original paper from which reference is taken

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

Dated June 26, 1940 From State Department
To FA/H (Hornbeck)

File No. SEE 893.0146/864

DECLASSIFIED: E.O. 11652, 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 Japanese control of the Canton Area.
 Detailed report on -.

jb

793.94/16235

For the original paper from which reference is taken

See Despatch #207
(Despatch, telegram, instruction, letter, etc.)

Dated Sept 10, 1940 From Canton (Myers)
 To

File No. SEE 893.00/14584

/L.A.

0476

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Japanese military operations in Kwangtung and Kwangsi
localities for the month of August 1940.

Report on -, together with the results of Japanese
and Chinese aerial activity.

jb

793.94 / 16236

For the original paper from which reference is taken

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

Dated Sept. 14, 1940 From Canton (Myers)
To

File No. 893.00 P.R. Canton/161

0477

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

DOCUMENT FILE

NOTE

893.102 S/2284
SEE Tel. #961, noon FOR Telegram #961, noon
FROM Shanghai (Butrick) DATED Sept. 21, 1940
TO NAME 1-1127 ***

REGARDING:

No attempt by Japanese in Shanghai to reopen discussions regarding redistribution of defense sectors. Negotiations regarding the July 7 incident and defense sector problems continuing. Reported intention of Tokyo to have these questions settled in Shanghai.

las

793.94 / 16237

16237

DECLASSIFIED: E.O. 11652, 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

793.94

RDS

GRAY

SHANGHAI VIA N.R.

Dated September 21, 1940

Rec'd 2:42 p.m.

Secretary of State,
 Washington.

931, September 21, noon,
 - 12212

Reference my 952, September 20, noon.

Although there has been no attempt by the Japanese in Shanghai to reopen discussions the Japanese Embassy spokesman in press conference on September 20 stated that negotiations regarding both the July 7 incident and defense sector problems were continuing and that it is reported intention of Tokyo to have these questions settled in Shanghai.

Sent to Department. Repeated to Tsingtao for Commander-in-Chief. By air mail to Tokyo.

93.102 x / 2284

EMB

BUTRICK

0478

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

TELEGRAM RECEIVED

FROM

EH

PLAIN

Chungking via N. R.

Dated October 17, 1940

Rec'd 10:51 a.m.

Secretary of State,

Washington.

523, October 17, 4 p.m.

Eighteen Japanese heavy bombers operating in two formations bombed areas in north central and lower downtown Chungking at approximately 12:50 p.m. today apparently causing few casualties and slight damage. No (repeat no) reports of injury to Americans or their properties have thus far been received.

Sent to the Department, repeated to Peking, Hankow and Shanghai. Shanghai mail to Tokyo. Air mail to Kuning.

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0480

DECLASSIFIED: E.O. 11652, 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

MHO FROM Hankow via N.R.
 This telegram must be Dated October 16, 1940
 closely paraphrased be- Rec'd 9:58 a.m., 17th.
 fore being communicated
 to any one. (Br)

Secretary of State,
 Washington.

October 16, 2 p.m.

Referring to unconfirmed Chungking press reports
 of Chinese capture of Matang on October 13 and other
 Yangtze points thereby interrupting river travel.
 On that day local Japanese authorities on ground of
 military necessity suddenly canceled the passages of
 British and other passengers scheduled to leave next
 morning for Shanghai. Japanese authorities have,
 however, promised passage at early date. Reports
 indicate Chinese guerrilla activity along river at
 points between Anking and Kiukiang.

Sent to Chungking. Repeated to Paiping,
 Shanghai.

SPIKER

CSB

RECEIVED
 OCT 22 1940
 DEPARTMENT OF STATE

OCT 24 1940

FILED

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733.94/16239

0481

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

318

TELEGRAM RECEIVED

EH

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

Chungking via N. R.

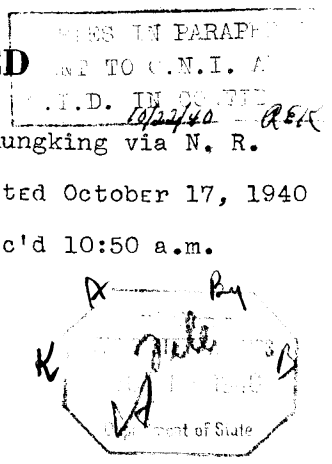
Dated October 17, 1940

Rec'd 10:50 a.m.

Secretary of State,
Washington.

522, October 17, 3 p.m.

On October 14 Soviet Assistant Military Attache accompanied by interpreter called on the American Assistant Military Attache. I was present during latter part of call. Soviet attache was interested in Barrett's opinions as to ability of Chinese to continue resistance and possibility of assuming offensive. He also inquired as to possibility of Japanese offensive against Singapore by way of Thailand and probable action of United States should Japanese continue southward movement. With reference to this latter point I gave him a copy of the President's speech at Dayton and stated that the United States had no territorial ambitions in this, that, or any other areas but that we were prepared to defend our right to trade and have intercourse with friendly nations in peace and on an equal footing with other nations. Both Barrett and I inferred that this interest on the part of Soviet Military Attache's office indicates that Soviet Government is making a survey



793.94/16240

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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

319

EH -2- 522, October 17, 3 p.m. from Chungking.

a survey of situation in formulating its attitude toward Far East. There is a feeling current in Chungking in official quarters that Soviet Russia may reach some understanding with Japan but that Soviet aid to China will continue.

Sent to the Department. Repeated to Peiping, Shanghai. Shanghai repeat to Tokyo.

JOHNSON

TFV

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

(CONFIDENTIAL)

320

PARAPHRASE

A telegram (no. 522) of October 17, 1940, from the American Ambassador at Chungking reads substantially as follows:

The American Assistant Military Attaché received a call on October 14 from the Soviet Assistant Military Attaché, accompanied by an interpreter, and during the latter part of the conversation I was present. Barrett's opinions with regard to China's ability to keep up resistance and the possibility of China's taking the offensive were of interest to the Soviet attaché. The possibility of an offensive by the Japanese through Thailand against Singapore, and the probable action of the United States if the southward movement by Japan should be continued, were also the subjects of inquiries. A copy of the President's speech at Dayton was presented with reference to the last point and I said that the United States had no territorial ambitions in any area but was prepared to defend our right of peaceful trade and intercourse with friendly nations on equal terms with third nations. This interest of the Soviet Attaché's office seemed both to Barrett and to me to indicate that the Soviet Government in formulating its attitude toward the Far East is making a survey of the situation. In official quarters in Chungking it is felt that some understanding with Japan may be reached by the Soviet Union but that China will continue to receive Soviet aid.

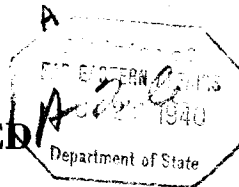
793.94/16240 ROK
 FE:RWB:MHP FE

10/19/40

0484

DECLASSIFIED: E.O. 11652, 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



SS
J

Re/H
FE

EH

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

FROM

Chungking via N. R.

Dated October 17, 1940

Rec'd 1:30 p.m.

Secretary of State,
 Washington.



524, October 17, 7 p.m.

CONFIDENTIAL FOR THE SECRETARY

My British colleague has just called to give me

the substance of recent conversations which he has had with Generalissimo. He came at the suggestion of the Generalissimo. Latter has asked me to see him tomorrow afternoon when I expect he will say the same thing to me. Generalissimo indicated surprise that Great Britain and the United States continued to treat China as "semi-colonial power" and to continue to place a low value on what China might do to assist in opposing Japan. He referred to the fact that Turkey was accepted as an equal because she had a large army and that Japan was treated as an equal because she had a large navy. He dwelt upon China's army and China's position as a potential factor because of her man power which England and the United States would need sooner or later. (END OF SECTION ONE)

793.94/16241

F/B

JOHNSON

TFV

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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

RDS

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

CHUNGKING VIA N.R.

Dated October 17, 1940

Rec'd 4:45 p.m.

Secretary of State,
Washington.

524, October 17, 7 p.m. (SECTION TWO)

He intimated surprise that Great Britain and the United States had not yet sought the help of China and a feeling of discouragement that we seemed to expect China to come hat in hand. He insisted that China's army was capable of rendering assistance and if supplied with equipment would be able to take the initiative in a decisive way. He stated that he was not asking for immediate help of this character saying that that could follow in time but said that while China was capable of continuing its resistance China was rapidly becoming economically exhausted and had reached a point where it must decide whether it was worth while going on.

My British Colleague stated that he had communicated the substance of this to London and that he was expressing the opinion that the time had come when something should be done to show that the British were prepared to do something more than simply open a road. He was urging that important British military representatives come to China for the purpose

048F

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

#524
-2- /October 17, 7 p.m. (SECTION TWO) from Chungking via N.R.

purpose of staff talks. He stated that this was the first
time that he had seen Chiang when he detected anything
approaching defection.

(END OF SECTION TWO)

JOHNSON

REP

DECLASSIFIED: E.O. 11652, 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

RDS

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

CHUNGKING VIA N.R.

Dated October 17, 1940

Rec'd 4:55 p.m.

Secretary of State,

Washington.

524, October 17, 7 p.m. (SECTION THREE)

I know from conversations ~~that~~^{THAT} are repeated to me that
 there is considerable worry among the Chinese at the pre-
 sent time that the Japanese may begin to appease the United
 States with the result that ~~we~~^{WE WILL} do nothing out here in the
 Far East to prevent onward march of Japanese. The Chinese
 have from the beginning held the opinion that sooner or
 later the United States and Japan would come to war. Re-
 cent acts and statements by us convince them that this be-
 lief has been justified, that war between the United States
 and Japan is near with consequent beneficial results to
 China. They fear this may come too late. They are worried
~~THE ATTITUDE OF RUSSIA BUT IN ANY CASE~~
 about ~~the attitude of Russia~~ and under the best of conditions ex-
 pect little assistance from Russia. They realize that if
 Japan Germany and Italy succeed in their several spheres of
 action China will suffer. Chiang naturally wonders why
 Great Britain and the United States who he feels are work-
 ing together against a common enemy do not accept publicly
 the partnership of China which has and is suffering vitally
 in

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

-2- #524, October 17, 7 p.m. (SECTION THREE) from Chungking
via N.R.

in an interest which is fundamentally as much theirs as it
is China's. The Generalissimo obviously wants the moral
support that such public (?) would give.

I am sending the above now and shall communicate the
result of my conversation with Chiang Kai Shek tomorrow EVEN-
ing .

Sent to the Department only.

(END OF MESSAGE)

JOHNSON

REP

Repetition requested on garbled groups.

7 4 8 5

DECLASSIFIED: E.O. 11652, 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 Conflict.

Military Attache report by Major U. D. Barrett on -,
Comments on -;

jb

793.94/16242

For the original paper from which reference is taken

See Report #6
(Despatch, telegram, instruction, letter, etc.)

Dated June 30, 1940 From Military Attache
To China (Chungking)

File No. SEE 793.94119/681

0491

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 conflict.
Report on - in Shanghai for the month of August 1940.

jb

793.94/16243

For the original paper from which reference is taken

See #3426
(Despatch, telegram, instruction, letter, etc.)

Dated September 7, 1940 From Shanghai (Butrick)
To

File No. SEE 893.00 P.R. Shanghai/143

16243

DECLASSIFIED: E.O. 11652, 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 Military situation in the Chefoo Consular District
 during the month of August.

Travellers between Chefoo and the Hwanghsien-Penglai
 region were able to use their automobiles; no
 interference being caused by the guerrillas.

jb

793.94/16244

For the original paper from which reference is taken

See Political Report #162 to Embassy
(Despatch, telegram, instruction, letter, etc.)

Dated September 11, 1940 From Chefoo (Roberts)
 To

File No. SEE 893.00 P.R. Chefoo/161

16244

0492

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

821

TELEGRAM RECEIVED

JT

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

CHUNGKING VIA N.R.

Dated October 18, 1940

Rec'd 4:10 p.m.

Secretary of State,
 Washington.

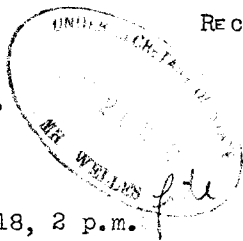
526, October 18, 2 p.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

My 524, October 17, 7 p.m.

At the request of the Generalissimo I went to see him this afternoon and had a two hour conversation. The Minister for Foreign Affairs was present. After a preliminary conversation during which he inquired my opinion as to possible policy which Russia might follow and steps which the United States might take should Japan advance on Dutch East Indies, during which I referred to the President's Dayton speech as the latest authoritative statement on the subject of our policy the Generalissimo said that he had a message which he wished me to communicate in confidence to you and to the President.

He stated that he thought that Washington did not know the exact situation which faced the Chinese Government and that what he had to say represented the actual state of affairs. He said that he had not said this to anyone



793.94/10240

F/3

7 1340
 3.24
 793.51

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

1-2
322

-2- No. 526, October 13, 2 p.m., from Chungking

anyone else, but wanted you to know the facts in confidence.

He asked me whether I had seen the British Ambassador.

I said yes, that the Ambassador had told me of his con-

versation. Generalissimo asked my reaction to what he

had said to the British Ambassador. I said that the

point that impressed me was that China had reached a point

where she must decide whether to carry on or not. He

then said China faces two difficulties in her war of re-

sistance. The first was the attitude of the communists

and the second was the economic situation in the country.

During the past three months the communists were making

it more difficult

(END SECTION ONE)

JOHNSON

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

1-3

323

TELEGRAM RECEIVED

RDS

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

CHUNGKING VIA N.R.

Dated October 18, 1940

Rec'd 9:10 p.m.

Secretary of State,
 Washington.

PRIORITY.

526, October 18, 9 p.m. (SECTION TWO)

*Delegated
11/31/41*
for the government
~~(?) (?)~~ and were attempting to extend their field of
 influence. They were not carrying on a public campaign but
 were carrying on a whispering campaign and taking advantage
 of the economic situation in attacking the prestige of
 the Government. The result was that the morale of the
 people was very low. During the past week there was a
 noticeable improvement due to the opening of the Burma
 Road.

He stated that when the Burma road was closed all aid
 from Russia ceased. He thought that this fact might give
 me some clue to the attitude and the policy of Russia. With
 the opening of the Burma Road and the making of the loan
 from the United States a change had come and he thought
 that Russia's policy without doubt affected. But he was
 afraid that the Burma Road would be attacked by the Japanese
 and *if it was* ~~every~~ ~~(?)~~ successfully interrupted ~~the~~ influence of
 the Communists would grow and he thought they would receive
 help from Russia.

Therefore.

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

1-4

324

-2- #526, October 18, 9 p.m. (SECTION TWO) from Chungking
 via N.R.

Therefore aid from the United States was imperative, both economic and military. Military help would consist of airplanes. He had telegraphed to T. V. Soong a plan for such aid outlining China's needs. If he could receive planes from the United States before the end of the year he thought that the mere knowledge of the arrival of these planes would help the morale of the people who were becoming discouraged because China's warplanes had been inoperative since August and the Japanese could bomb at will and the merchants were beginning to lose heart and to demand that something be done. He said that he alone was holding out for resistance but that unless he could get planes he would be helpless. It would be even better if he could have American volunteer fliers for with planes and volunteer fliers (it would take time for the Chinese to use the more up to date fighting planes) they could defend the Burma Road and restore confidence to the merchants and to the troops. This would turn the scale in the favor of the Government and he felt sure that it would influence Russia to give more help.

As to economic assistance he said that the Chinese were very grateful to the United States for what had been done. We had made three loans to the Chinese totalizing altogether 75,000,000. If a large loan could be made at once rather than divided in small ^{bits} ~~bits~~ over a period of
 time

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

1-5

325

-3- #526, October 18, 9 p.m. (SECTION TWO) from Chungking
 via N.R.

time it would help enormously in raising the morale of the people..

Time was of the essence he said. If American planes could not arrive before the road was closed or before the Japanese stopped the sea routes by occupying Singapore it would be too late and China's position would be extremely if not hopelessly critical.

The above represents a summary of what the Generalissimo said to me during two hours during which he repeated some of it over and over again to be sure that he had made his points clear. *Hallington Tong* ~~Holding(?)~~ who acted as interpreter is coming over to the office in the morning and I shall have further details *and* ~~it~~ comment to follow.

(END OF MESSAGE)

Sent to the Department only.

JOHNSON

EMB

Repetition requested on above garbled groups.

0497
DECLASSIFIED: E.O. 11652, 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

October 23, 1940.

U
Mr. Welles:

S
Mr. Secretary:

We recommend that a telegram along the lines of the attached draft be sent to Ambassador Johnson at Chungking.

We assume that the question of extending further credits or loans to China is now under active consideration and we recommend that this matter be carried forward actively.

We recommend further that further effort be made to make additional airplanes available for sale to China.

We recommend also that Mr. Welles or Mr. Hornbeck talk to the Chinese Ambassador along the lines of the attached draft telegram.

7-7-41

FE:MMH:HES

PAH
SM

0498

DECLASSIFIED: E.O. 11652, 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

326

TO BE TRANSMITTED
X CONFIDENTIAL CODE X
NONCONFIDENTIAL CODE
PLAIN

Collect { Full rate
Day letter
Night letter

Charge Department:

Full rate
Day letter
Night letter

Charge to

\$

Department of State

This code was sent in Code.
It should be carefully checked before
being communicated to the public.

Washington,

October 23, 1940

AMEMBASSY,

CHUNGKING (CHINA). *ma. v. R.*

Your 526, October 18, 2 p.m.

STRICTLY CONFIDENTIAL FOR THE AMBASSADOR.

I desire that you call upon Chiang Kai-shek and
that you make to him orally a statement along lines
substantially as follows:

Both the President and I have examined attentively
the message which Chiang Kai-shek communicated through
you, and we are giving it our best thought.

We of course desire to see a durable and genuine
peace reestablished in the Far East as soon as possible.
We believe that such a peace can be restored only on
lines which are consistent with principles of equity and
justice in relation to all concerned. We would be lack-
ing in candor if we did not repeat not state our view
that the evidence available to us does not repeat not
indicate that Japan's military leadership would be pre-
pared at this time to enter into a settlement which
would be fair to all concerned.

793.94

note
843.51
843.24

Enciphered by _____

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

193.94/15240

1/16

0499

DECLASSIFIED: E.O. 11652, 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-2

PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Collect { Full rate
 Day letter
 Night letter

Department of State

Charge Department:

Full rate
 Day letter
 Night letter

-2-

Washington,

Charge to
 \$

Both the American people and their Government are sympathetically aware of the internal as well as the external difficulties which have confronted and continue to confront China, and we have profound admiration for the way in which China has met and is continuing to meet those difficulties.

We are surprised at the statement in regard to the cessation of aid from Russia. The information which we had previously received from various sources has been to the effect that, although there has been no repeat no increase and perhaps somewhat of a decrease in supplies from Russia, the sending of such supplies has continued.

With regard to the question of economic aid from the United States, there is of course no repeat no need to recount the various steps which the United States has already taken which have had the effect of assisting China. Chiang Kai-shek is fully familiar with those steps. With regard to the current situation, the Federal Loan Administrator announced at his press conference on October 17 that he was conferring with T. V. Soong, President of the Bank of China, on the subject of further advances of credits to China in exchange for essential

Enciphered by _____

Sent by operator _____ M., _____, 19____

0500

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

Q-3

PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

328

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Collect (Full rate
 Day letter
 Night letter)

Department of State

Charge Department:

Full rate
 Day letter
 Night letter

-3-

Washington,

Charge to
 \$

defense products needed by the United States. The mat-
 ter of further credits or loans is thus receiving active
 attention at this time.

With regard to the making available to the Chinese Government of military supplies, especially airplanes, we have made a review of the record of exports of airplanes to China. This review shows that since July 1, 1937, licenses have been approved for the exportation from the United States to China of 279 airplanes; that the value of these airplanes, including parts, has amounted to approximately \$22,000,000; that during the calendar year 1937 China occupied first place among foreign purchasers of American aircraft and during the calendar year 1938 third place; and that, although China dropped to twenty-first place during the calendar year 1939, it occupied eleventh place during the first six months of 1940, third place during July 1940, and ninth place during August 1940. During the first eight months of 1940 applications were approved for licenses to export 115 airplanes to China. Of this number 48 airplanes had been exported as of October 1 and 67 had not been exported as of that date. It is understood that a considerable

Enciphered by number of American airplanes are now en route to China.

Sent by operator M., 19.

0501

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

3-4

PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Collect { Full rate
 Day letter
 Night letter

Department of State

Charge Department:

Full rate
 Day letter
 Night letter

-4-

Washington,

Charge to
 \$

793.24

With regard to Chiang Kai-shek's observations relating to Japanese air attacks upon the Burma road, it seems to us that there is serious question whether Japanese efforts to put the Burma road out of commission through bombing operations are likely to be substantially successful. Such bombing operations are, we understand, most difficult to carry out successfully. Certainly the fortitude, skill, and perseverance shown by the Chinese in keeping open the Canton-Hankow Railway in the face of repeated Japanese bombing attacks offer solid indications of the difficulties in the way of closing lines of communication.

With regard to Singapore, there of course exists danger that Japan may attack that place. Such danger does not repeat not seem to us immediately imminent. Japan must realize the serious difficulties, including factors of equipment and of supply, which would attend any such attack and would not repeat not, it is believed, lightly embark upon such a venture while Great Britain is still strong in Europe and the American fleet is at Hawaii.

Enciphered by _____

Sent by operator _____ M., _____, 19____

0502

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

8-5
 PREPARING OFFICE
 WILL INDICATE WHETHER
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 Day letter
 Night letter

TELEGRAM SENT

Department of State

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 PARTAIR
 PLAIN

Charge Department:

Full rate
 Day letter
 Night letter

-5-

Washington,

Charge to
 \$

It may be observed further that the situations in Europe and in the Far East are closely interrelated and that the Axis Powers of course desire to bring their plans to fruition before the accelerated rate of production in the United States of military supplies results in substantially increased output and before the re-armament program in this country reaches maximum capacity. This country has already put forth great efforts to accelerate and to expand production. These efforts are continuing and are receiving the Government's best attention. From the standpoint of prospective output and the ability not only to supply its own needs but also to supply the needs of other countries which are fighting for self-preservation, every month which goes by without the Axis Powers' having achieved their objectives is so much to the good. For this country's position and the position of like-minded countries may be expected to become progressively stronger. While the present may be and undoubtedly is an especially critical period, the prospects over a somewhat longer period appear brighter.

Enciphered by _____

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

0503

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

3-6

PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
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 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Collect (Full rate
 Day letter
 Night letter)

Charge Department:

Full rate
 Day letter
 Night letter

Charge to
 \$

Department of State

-6-

Washington,

The Government of the United States has consistently endeavored in relations with the Far East, while serving the interests of the United States, to avoid and avert disservice to the interests of China. At the present moment we are in no repeat no way forgetful of either of these objectives and we are intent upon both. As Chiang Kai-shek is of course aware, it is a traditional policy of the United States, except when this country is at war, to avoid entering into alliances or entangling commitments, although we believe in cooperative effort with other countries by peaceful and practicable means in support of the principles to which this country is committed. Just as Chiang Kai-shek and other Chinese leaders have foremost in their minds the interests of China, so we have foremost in our minds the interests of the United States. We are fortunately situated in that our interests and those of China usually run along parallel lines. Both the United States and China believe in peace, and the United States desires to see China establish ^{and maintain} herself along the lines of the democratic ^{a premise of American} ideals in which we believe. It has long been ~~our policy~~ ^{policy} ~~to rely on the belief~~ that the Chinese are capable of creating and maintaining a well-ordered state.

Enciphered by _____

Sent by operator _____ M., _____, 19____

0504

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

3-7

PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

331

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Collect { Full rate
 Day letter
 Night letter

Department of State

Charge Department:

Full rate
 Day letter
 Night letter

-7-

Washington,

Charge to
 \$

We offer the foregoing observations in regard to
 the subject matter of Chiang Kai-shek's communication.
 We are of course continuing to study the whole matter
 presented by him in a desire to be constructively
 helpful where it is appropriate and possible for this
 Government, acting within the framework of the estab-
 lished policies and laws of the United States, to be so.
 In our study and in our effort to be helpful we shall
 expect to confer on various points with the Chinese
 Ambassador here and with Mr. T. V. Soong.

Hues

CP
 OCT 24 1940

FE:MMH:HES

WMA
 FE
7.7.41

PA/V
SCH

Ad

5

Enciphered by _____

Sent by operator _____ M., _____, 19____

0505

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

PREPARING OFFICE
 WILL INDICATE WHETHER

Collect (Full rate
 Day letter
 Night letter)

Charge Department:

Full rate
 Day letter
 Night letter

Charge to AMEMBASSY,
 \$

CHUNGKING (CHINA).

PRIORITY 196

Your 577, November 20, 9 a.m.

STRICTLY CONFIDENTIAL.

We appreciate the thoughtfulness of Chiang Kai-shek
 in having taken steps to communicate ^{to} us the information
 contained in your telegram under reference.

From the information in our possession it appears that
 the recent Hitler-Molotov conversations at Berlin are one of
 a series and that they will probably be continued in one or
 more places; that the Berlin conversations ^{were} ~~have been~~ ar-
 ranged at least in part for the purpose of their psychological
 and propaganda effect upon various governments and peoples;
 and that it may be expected that the Axis and associated
 governments will endeavor to use the fact of the con-
 versations to their advantage in diplomacy as well as in
 propaganda. We have no repeat no reason to believe
 that there have come out of the conversations any
 definitive agreements, at least in so far as the
 Far East is concerned. We have received no

Enciphered by _____

Sent by operator _____ M., _____, 19____

1-1402 U. S. GOVERNMENT PRINTING OFFICE

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
 X CONFIDENTIAL CODE X
 NONCONFIDENTIAL CODE
 PARTIAL
 PLAIN

"A"

Washington, 23
 November 20, 1940

Naval Radio

This telegram is confidential code.
 It must be fully paraphrased before
 being communicated to anyone. A-1

793.94/16245
 TS/FF

0506

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

2-2

PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT 333

Collect { Full rate
 Day letter
 Night letter

Charge Department:

Full rate
 Day letter
 Night letter

Charge to

\$

Department of State

Washington.

-2-

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

repeat no indication that there occurred in the conversations any development that was intended to be inimical to China, or any concrete agreement in regard to matters relating to China. It is not repeat not to be doubted that Germany has been bringing diplomatic pressure to bear upon both Soviet Russia and Japan looking to a rapprochement between those two countries which might result in an agreement beneficial to the Axis powers in Europe. In this particular connection it is also to be expected that Japan will endeavor to use such Soviet-Japanese conversations as have taken place to Japan's diplomatic ^{and military} advantage. It is our belief, from the information we have received, that out of various German efforts to bring about a Soviet-Japanese rapprochement there has not repeat not yet occurred any ^{concrete} ~~definitive~~ developments. That German-Japanese-Soviet conversations may result in an agreement in regard to the Far East which ^{would} ~~will~~ affect Chinese interests is, of course, a possibility, but we have no repeat no evidence to support an assumption that Soviet Russia contemplates an arrangement which would have as purpose sacrificing China to the advantage of Japanese and/or German imperialism. It seems axiomatic that Germany

Enciphered by _____

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

0507

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

2-3

324

TELEGRAM SENT

PREPARING OFFICE
 WILL INDICATE WHETHER

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Collect { Full rate
 Day letter
 Night letter

Department of State

Charge Department:

-3-

Washington,

Full rate
 Day letter
 Night letter

Charge to \$ very much desires to see Japan freed from her present
 involvement in China in order that Japan might be in a
 better position to further Germany's objective of
 defeating Britain by taking military action against
 British territory and interests in general in the Far
 East.

The Department suggests that unless you perceive
 objection you communicate the substance of the forego-
 ing orally and in confidence to Chiang Kai-shek or other
 appropriate official of the Chinese Government.

Sent to Chungking only.

[Handwritten signature]
 Apting

CR
 NOV 23 1940
 793.94/16245

6A
 FE:GA:FRE/HES

FE
[Handwritten initials]

PA/H
[Handwritten initials]

Eu

U

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

October 24, 1940

~~GA~~
~~WAR~~
~~MMH~~

Chungking's despatch no. 664, dated September 19, 1940, entitled "Ninth Anniversary of September 18 Incident; Prevailing Sentiment in Chungking".

The Ninth Anniversary of the September 18 (Mukden) Incident was not outwardly different from previous anniversaries, but there were evident in Chungking a new feeling of confidence and resolution and a belief in the ultimate expulsion of the invader and the return of lost territories to Chinese sovereignty.

As representative of sentiment in Chungking, the despatch enclosed a summary of an editorial which asserts that the incident was not a loss to China since it aroused China's will to strive for its national existence by its own efforts and since these efforts have now brought into sight victory in resistance and success in national reconstruction. The editorial mentions the relation of the Mukden incident to the present state of world disorder and questions whether the present European war did not begin nine years ago.

It declares

0509

DECLASSIFIED: E.O. 11652, 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-

It declares the failure to impose sanctions on Japan paved the way to the later extinction of several nations, and it clearly infers that Great Britain has only now learned the consequences of surrender to the principle of the fait accompli without respect to law and justice.

793.94/16246

RSB
FE:Byrd:MHP

0510

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



EMBASSY OF THE
 UNITED STATES OF AMERICA

No. 634. Chungking, September 19, 1940

Subject: Ninth Anniversary of September 18
 Incident; Prevailing Sentiment in
 Chungking.

Air mail

RECEIVED
 DEPARTMENT OF STATE

1940 OCT 19 AM 10 39

DIVISION OF
 COMMUNICATIONS
 AND RECORDS

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CPM

NOV 7 1940

730.04/10246

COMMERCIAL AFFAIRS
 Department of State

OCT 30 1940

DIVISION OF

793.94

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

473/16189
 In my telegram no. 47, September 18, 5 p.m.,
 I had the honor to transmit pertinent extracts
 from the radio address delivered by General Chiang
 Kai-shek to the people of the Northeastern Provinces
 on the eve of the ninth anniversary of the Mukden
 Incident. Among the many "incident" anniversaries
 observed in China today, those pertaining to Mukden
 and Lukouchiao easily rank first in importance; for
 they are, of course, a symbol of the commencement
 of an attempt on the part of Japan to achieve domina-
 tion of China by military means and of China's en-
 deavor to frustrate Japan's program by the same means.

Although it cannot be said that commemoration of
 the Ninth anniversary of the September 18 incident was

outwardly

NOV 13 1940
 FILED

F/TG

0511

DECLASSIFIED: E.O. 11652, 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 -

1/ outwardly different from the manner in which the anniversary has been celebrated in the past, yet there appeared beneath the usual shoutings and trappings and declarations, a new feeling of confidence, an enhanced sense of resolution, a mounting belief that the enormous sacrifices of the past three years have not been in vain, will in the end result in expulsion of the invader and return of the lost territories to the sovereignty of China. Representative of the prevailing sentiment in the provisional capital is a leading article which appeared in the September 18, 1940 issue of the Ta Kung Pao, a summary in translation of which is appended hereto.

The article terms the September 18 incident a lesson to China to depend only on its own power and asserts that its occurrence was not a loss to China but a gain in that it stimulated China's will to resistance (and also brought about a sense of national unity such as had not been felt in the past century). The article also dwells on the Mukden incident and its relation to the present lamentable state of disorder existing throughout the world, pointing out that Japan led the assault on the principles of peace and order which paved the way for the extinction of several nations. There is a clear inference that Great Britain is only now learning the lesson that China was forced to learn at an earlier date, and that the present disordered state of the world might have been avoided if respect had been paid to the principles of law and justice rather than to that of the fait accompli.

Reference was made to the reorganization of the provincial governments of the Northeastern Provinces in the Embassy's despatch no. 524 of May 9, 1940.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson

✓
 Enclosure:

1/ Summary of article from Ta Kung Pao.

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

800/710

EFD:MCL

0 5 1 2

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

Enclosure no. 1 to despatch no. 384 dated September 19, 1940 from American Embassy at Chungking on subject of "Fifth Anniversary of September 18 Incident; Prevailing Sentiment in Chungking".

SUMMARY

Translation

Editorial Ta Kung Pao
September 18, 1940

A LESSON FROM THE SEPTEMBER 18 INCIDENT.

By the shell fire on the night of September 18, 1931, Japanese militarists openly informed China that the latter must not forget its enemy - Japan; and more openly they also told the world that guns and cannon existed along with so-called law and justice.

The September 18 (Lukden) incident constituted a humiliation but not a loss to China. From the War of 1894 to the eve of the incident, Japan had always been a threat to China. The development that caused China to have too much confidence in the world balance of power was the Washington Conference which led China to neglect its national defence and to forfeit its will in striving for national existence by its own efforts. The September 18 incident gave a blow to such vacillation. But China was not awakened by this incident in that it offered no resistance and, instead, repeatedly appealed to Geneva. Fortunately, Japan pressed forward step-by-step from Peitaying (Lukden) to Lukouchiao where China found it not only impossible to make further concessions but necessary to engage the enemy by exerting all efforts in gambling with its national destiny. China is after all great and in three years it has weakened Japan. Not only has China not been shaken, but it also has in sight victory in resistance and success in national reconstruction. The September 18 incident is absolutely not a loss to China. Although it temporarily involved loss of the Northeast, China's will to strive for national existence by its own efforts has been aroused and its sacred duties of national defence are being carried out.

The present historical disturbance of the world originated in the September 18 incident. In the European war, many nations have lost their existence; civilized France has yielded and Great Britain's imperial hegemony is on the verge of destruction. Although the war has lasted only one year, it actually began nine years ago. The victors of the last European war have been too selfish. They considered the shell fire at Peitaying, with which Japan actually provoked war against the world order based on such phrases as law and justice, as a local affair; they

surrendered

DECLASSIFIED: E.O. 11652, 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 -

surrendered to the principle of fait accompli without paying any respect to law and justice. Since Japan was not sanctioned for its occupation of four provinces in China and violation of the League Covenant and withdrawal from the League membership, there followed the destruction of Abyssinia, the annexation of Austria and the eventual extinction of Czechoslovakia. The rapprochement diplomacy of Simon and Chamberlain was adopted merely with a view to avoidance of difficulties for the international gentleman (Great Britain) and maintenance of peace by sacrificing others. As law had been rendered useless, nobody would respect it. Who really knows but that the European war began with the Mukden incident nine years ago rather than with the Polish problem of last year? It is a pity that many European powers have been driven out of existence; that numberless lives have on that account been lost; and that the luxurious international gentleman is himself compelled to fight for his own life. China was oppressed more severely and thus awakened earlier. The European powers received benefits from the last European war and were over-lenient, thus suffering a more serious disaster.

China has bravely received the lesson given it by the September 18 incident. Thanks to Japanese aggression we have been enabled to realize the truth of the necessity of striving for existence by our own efforts. We will beat our enemy with our own hands. Our duty in armed resistance is at least to liquidate the bloody debts of the past nine years and restore the Northeast. The National Government issued a mandate four months ago reorganizing the four Northeastern provincial governments, which is indicative of our determination to recapture the Northeast. The Chinese people will not forget the Northeast.

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

(COPY:BCS:SS)
 (COMPARED 11/1/72)

EMBASSY OF THE
 UNITED STATES OF AMERICA

No. 664 Chungking, September 19, 1940
 Subject: Ninth Anniversary of September 18
 Incident; Prevailing Sentiment in
 Chungking.

Air mail

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

In my telegram no. 473/16189, September 18, 5 p.m., I had the honor to transmit pertinent extracts from the radio address delivered by General Chiang Kai-shek to the people of the Northeastern Provinces on the eve of the ninth anniversary of the Mukden Incident. Among the many "incident" anniversaries observed in China today, those pertaining to Mukden and Lukouchiao easily rank first in importance; for they are, of course, a symbol of the commencement of an attempt on the part of Japan to achieve domination of China by military means and of China's endeavor to frustrate Japan's program by the same means.

Although it cannot be said that commemoration of the Ninth anniversary of the September 18 incident was outwardly different from the manner in which the anniversary has been celebrated in the past, yet there appeared beneath the usual shoutings and trappings and declarations,

a new

DECLASSIFIED: E.O. 11652, 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-

a new feeling of confidence, an enhanced sense of resolution, a mounting belief that the enormous sacrifices of the past three years have not been in vain and will in the end result in expulsion of the invader and return of the lost territories to the sovereignty of China. Representative of the prevailing sentiment in the provisional capital is a leading article which appeared in the September 18, 1940 issue of the Ta Kung Pao, a summary in translation of which is appended hereto.

The article terms the September 18 incident a lesson to China to depend only on its own power and asserts that its occurrence was not a loss to China but a gain in that it stimulated China's will to resistance (and also brought about a sense of national unity such as had not been felt in the past century). The article also dwells on the Mukden incident and its relation to the present lamentable state of disorder existing throughout the world, pointing out that Japan led the assault on the principles of peace and order which paved the way for the extinction of several nations. There is a clear inference that Great Britain is only now learning the lesson that China was forced to learn at an earlier date, and that the present disordered state of the world might have been avoided if respect had been paid to the principles of law and justice rather than to that of the fait accompli.

Reference was made to the reorganization of the provincial governments of the Northeastern Provinces in
 the

0516

DECLASSIFIED: E.O. 11652, 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 Embassy's despatch no. 524 of May 9, 1940.

Respectfully yours,

NELSON TRUSLER JOHNSON

Enclosure

1/ Summary of article from Ta Kung Pao.

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

800/710

EFD:MCL

0517

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

Enclosure no. 1 to despatch no. 664 dated September 19, 1940 from American Embassy at Chungking on subject of "Ninth Anniversary of September 18 Incident; Prevailing Sentiment in Chungking".

Summary

Translation

Editorial Ta Kung Pao
September 18, 1940

A LESSON FROM THE SEPTEMBER 18 INCIDENT.

By the shell fire on the night of September 18, 1931, Japanese militarists openly informed China that the latter must not forget its enemy - Japan; and more openly they also told the world that guns and cannon existed along with so-called law and justice.

The September 18 (Mukden) incident constitutes a humiliation but not a loss to China. From the War of 1894 to the eve of the incident, Japan had always been a threat to China. The development that caused China to have too much confidence in the world balance of power was the Washington Conference which led China to neglect its national defense and to forfeit its will in striving for national existence by its own efforts. The September 18 incident gave a blow to such vacillation. But China was not awakened by this incident in that it offered no resistance and, instead, repeatedly appealed to Geneva. Fortunately, Japan pressed forward step-by-step from Peitaying (Makden) to Lukouchiao where China found it not only impossible to make further concessions but necessary to engage the enemy by exerting all efforts in gambling with its national destiny. China is after all great and in three years it has weakened Japan. Not only has China not been shaken, but it also has in sight victory in resistance and success in national reconstruction. The September 18 incident is absolutely not a loss to China. Although it temporarily involved loss of the Northeast, China's will to strive for national existence by its own efforts has been aroused and its sacred duties of national defense are being carried out.

The present historical disturbance of the world originated in the September 18 incident. In the European war, many nations have lost their existence; civilized France has yielded and Great Britain's imperial hegemony is on the verge of destruction. Although the war has lasted only one year, it actually began nine years ago. The victors of the last European War have been too selfish. They considered the shell fire at Peitaying, with which Japan actually provoked war against the world

order

0518

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-

order based on such phrases as law and justice, as a local affair; they surrendered to the principle of fait accompli without paying any respect to law and justice. Since Japan was not sanctioned for its occupation of four provinces in China and violation of the League Covenant and withdrawal from the League membership, there followed the destruction of Abyssinia, the annexation of Austria and the eventual extinction of Czechoslovakia. The rapprochement diplomacy of Simon and Chamberlain was adopted merely with a view to avoidance of difficulties for the international gentleman (Great Britain) and maintenance of peace by sacrificing others. As law had been rendered useless, nobody would respect it. Who really knows but that the European war began with the Mukden incident nine years ago rather than with the Polish problem of last year? It is a pity that many European powers have been driven out of existence; that numberless lives have on that account been lost; and that the luxurious international gentleman is himself compelled to fight for his own life. China was oppressed more severely and thus awakened earlier. The European powers received benefits from the last European war and were over-lenient, thus suffering a more serious disaster.

China has bravely received the lesson given it by the September 18 incident. Thanks to Japanese aggression we have been enabled to realize the truth of the necessity of striving for existence by our own efforts. We will beat our enemy with our own hands. Our duty in armed resistance is at least to liquidate the bloody debts of the past nine years and restore the Northeast. The National Government issued a mandate four months ago reorganizing the four Northeastern provincial governments, which is indicative of our determination to recapture the Northeast. The Chinese people will not forget the Northeast.

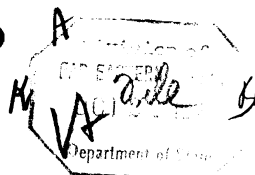
0515

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

TELEGRAM RECEIVED

FROM

*10/21/40
 Shoum to
 one m. R.
 KCK*



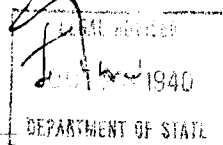
EH
 This telegram must be
 closely paraphrased be-
 fore being communicated
 to anyone. (br)

Hong Kong via N. R.

Dated October 21, 1940

Rec'd 3:45 a.m.

Secretary of State,
 Washington.



396, October 21, 9 a.m.

Following telegram has been received from Kunming:

Following for the Department number 37, October 17, 9 p.m.

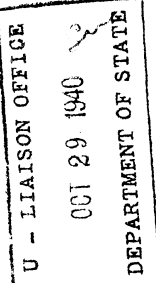
During a seven hour alarm today a squadron of twenty-
 seven Japanese planes accompanied by pursuit craft bombed
 the southern commercial section of Kunming near the south
 gate and the Hydro Electric Plant and Copper Refinery on
 the Burma Road about seven miles west of the city. Extent
 of damage yet unknown.

One heavy bomb hit about 30 yards from residence and
 office of American manager of Standard Vacuum Oil Company,
 causing considerable damage to residence. Compound was
 clearly marked by three flat American flags. No other
 damage to Americans is known.

Repeat to Department, Chungking and Peiping.

UNSIGNED

WFM



793.94

*note
 393.115
 Standard
 Vacuum Oil
 Co.*

793.94/16247

OCT 31 1940

FILED

F/FG

0520

DECLASSIFIED: E.O. 11652, 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

LAR

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

Hong Kong

Via N. R.

Dated October 21, 1940

Rec'd 9:15 a.m.

Secretary of State,
 Washington.

397, October 21, 11 a.m.

Following from Kunming:

Following for the Department:

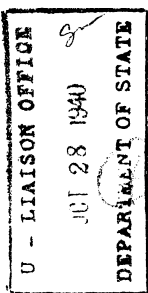
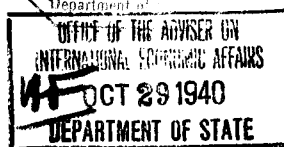
38, October 19, 7 p.m.

It is reported that about 8 Japanese dive bombers
 attacked Koshiu, tin center, three different times
 yesterday, with no results known. A squadron of 27
 attack planes and 9 pursuits are stated to have raided
 points on the Burma Road including Yunnanyi, Hsiakuan
 and Paoshan, with no details available. Kunming was
 under alarm for 7 hours.

Previous day's raid apparently did some damage to
 buildings of copper cable factory and National Resources
 Commission electric plant at Makai, west of Kunming.

A Yunnan railway bridge ten kilometers south of town
 was also bombed on the 17th, although attack may have
 been directed at small village near air field as

possible



793.94/16243

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 Show to
 Dept. M.D.
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FILED
 OCT 29 1940

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

LAR-2- 397, October 21, 11 a.m. from Hong Kong via N. R.

possible supply point. A number of buildings were wrecked in the central section inside the big east gate and the south gate. Bombs were dropped for the third time in the vicinity of foreign missionary residences on Shulin, Makai, near east pagoda south of Chinpilu.

Sent to the Department. Repeated to Chungking and Peiping.

SOUTHMAD

TFV

0522

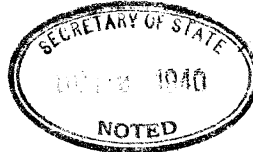
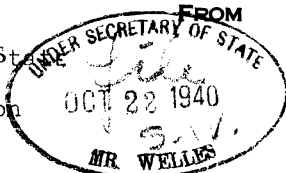
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

JI

This telegram must be Chungking via N. R.
closely paraphrased be-
fore being commu- **TELEGRAM RECEIVED** October 20, 1940
to any one. (A)

Rec'd 9:25 a.m.

Secretary of State
Washington



528, October 20, 9 a.m. (SECTION ONE)

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

My 526, ^{793.44} October 18, 9 p.m.

In view of the importance of this and the exact sense of General Hey's conversation with me of October 18 there follows a close paraphrase of his remarks as taken down and later corrected and approved by him (but not independent of the preliminary exchange of views on international topics to which I alluded in my telegram under reference): begin paraphrase.

I apprehend that perhaps you and your Government are not being kept apprised of the actual situation in this country and therefore I desire at this moment to take this chance to give you the following information so as (*) following closure of the Burmah route not only American commodities but goods promised by Russia have not reached us. Moreover, the Chinese Communists are giving many indications forsaking completely the main-
tenance

793.34/10249

001086

FILED

793.94
793.24
793.51
711.93

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

001087

JI-2-#528, October 20, 9 a.m. (SECTION ONE) from Chungking

maintenance of (*) in North Kiangsu especially they have conducted themselves so badly as to hamper the conduct of hostilities. The foregoing is one of the menaces confronting China at this time. It is my desire that the American Government be acquainted with this fact. After closure of the Burmah Road and the non-arrival of American supplies it should be further noted that the probability of Soviet aid to China became remote. No supplies are being received through Sinkiang. As things are at present the lingual communist press has not published articles critical of any Government but the Communists have launched verbal onslaughts. This is causing a deterioration of the people's morale which I acknowledge is not so good as it was a year ago. The prolongation of hostilities is being menaced from within. (END SECTION ONE).

JOHNSON

HPD

(*) Apparent omissions.

0524

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

001088

TELEGRAM RECEIVED

MHO

This telegram must be
closely paraphrased be- FROM
fore being communicated
to any one. (A)

Chungking via N.R.

Dated October 20, 1940

Rec'd 9:22 a.m.

Secretary of State,
Washington.

528, October 20, 9 a.m. (SECTION TWO)

I want your Government to have the following confidential information which I have hitherto mentioned to no person not even T. V. Soong. Since July new United States loan had not been granted and if the British had not before having opened the Burma route our economic and social situation would have deteriorated. The foregoing I thus hold to (?) menace. The Japanese and their design to smash our power we do not fear but deterioration of the people's morale and the Chinese Communists are truly problems of a serious character. That this situation has improved during the past week is attributable to the removal of restrictions on the Burma route. Accordingly improvement in the Russian attitude toward China has resulted. But if resistance is to be prolonged, the attitude of Soviet Russia maintained, and the morale of the people sustained the positive help of the United States is necessary.

China

052

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

001089

MHO

- 2 - 528, October 20, 9 a.m. from Chungking via N.R.
(SECTION TWO)

China (?) air planes and economic assistance.
Although the route to Burma has been restored I fear
that savage Japanese aerial attacks may render it
useless. The opening of the route resulted from the
support accorded the British by your President. This
factor I regard as the crucial turning point.

(END SECTION TWO)

JOHNSON

HPD

0526

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

J01090

TELEGRAM RECEIVED

CORRECTED COPY

LAR

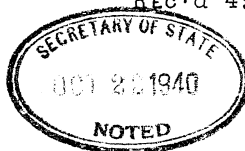
FROM Chungking via N. R.

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

Dated October 20, 1940

Rec'd 4:30 p.m.

Secretary of State,
 Washington.



528, October 20, 9 a.m. (SECTION THREE)

in which defeat has been converted to victory and our
 most threatening stage successfully passed. Our people
 and Government are, therefore, most grateful to
 President Roosevelt. Nevertheless more comprehensive
 assistance from the United States is necessary and
 the American authorities are being consulted by
 T. V. Soong in this respect. We will appreciate any
 support you can grant us in this connection. The fact
 that China, regardless of coming developments, desires
 to continue to concert with Great Britain and America
 in the Far East, I deem it unnecessary to emphasize,
 but the element of time is of the essence. In the
 event that the route to Burma is not usable owing to
 Japanese bombing, American supplies can not be shipped
 to us. It is impossible to ship goods through Siberia.
 A Japanese attack on Singapore would suspend ocean
 shipping and bring about the same result. If the road
 is closed or ocean traffic suspended American assistance
 will

FW 793.94/16249

0527

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

001091

LAR-2- 528, October 20, 9 a.m. (Sec. three) from Chungking

will not help us. Time, I wish to emphasize, is of vast importance.

I strongly hope that before the severance of communication facilities American planes can be procured in plentiful quantities. In the hope of obtaining the aid of the United States in this respect, I am despatching a proposal to Soong. Planes are urgently needed; we must have aircraft that are already fabricated to reach China in three months in order to uphold the morale of the civil and military population and to continue the struggle. Five hundred to one thousand planes in a year are required by China of which it is trusted five hundred can reach China within the next three months before disruption of communications. It is also hoped that American volunteers will be able to aid us in carrying on hostilities. Splendid air bases are possessed in Chekiang Province from which American planes could be utilized to attack Japanese naval bases in Japan and Formosa. China will be able to diminish Japanese naval strength materially if she can obtain from America one-twentieth or one-tenth of the planes Britain is now receiving from the United States. For America the supplying to China of planes and volunteers is a desirable alternative to war with Japan. Provided the American air force would work in conjunction

0528

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

001092

LAR-3- 528, October 20, 9 a.m. (Sec three) from Chungking

conjunction with our Army in case of an American
Japanese war, it might not be necessary for the Ameri-
can Fleet to proceed to the Orient by working together.
(END SECTION THREE).

JOHNSON

NK

0529

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

001093

TELEGRAM RECEIVED

MHO Chungking via N.R.

This telegram must be closely paraphrased before being communicated FROM Dated October 20, 1940
 to any one. (A) Rec'd 4:30 p.m.

Secretary of State,
 Washington.

Corrected copy substituted
FW

528, October 20, 9 a.m. (SECTION THREE)

in which defeat has been converted to victory and our most threatening stage successfully passed. Our people and Government are, therefore, most grateful to President Roosevelt. Nevertheless more (?) in this respect we will appreciate any support you can grant us in this connection. The fact that China, regardless of coming developments, desires to continue to (?) Great Britain and America in the Far East, I deem it unnecessary to emphasize, but the element of time is of the essence. In the event that the route to Burma is not usable owing to Japanese bombing, American supplies can not be shipped to us. It is impossible to ship goods through Siberia. A Japanese attack on Singapore would suspend (?) shipping and bring about as its result (#). If the road is closed or ocean traffic suspended American assistance will not help withstand (*). Time, I wish to emphasize, is of vast importance.

I strongly

FW
 193.94/16249

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

MHO

- 2 - 528, October 20, 9 a.m. from Chungking via N.R.
 (SECTION THREE)

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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

MHO-3- 528, October 20, 9 a.m. from Chungking via N.R.
(SECTION THREE)

and volunteers is a desirable alternative to war with
Japan. Provided the American air force would work in
conjunction with our Army in case of an American
Japanese war (?) necessary for the American (?) (?)
to the (?); by working together. (END SECTION THREE).

JOHNSON

CSB

Repetition requested.

0532

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

001094

LAR

This telegram **TELEGRAM RECEIVED**
closely paraphrased be- Chungking
fore being communicated
to anyone. (A)

Via N. R.

FROM

Dated October 20, 1940

Rec'd 4:15 p.m.

Secretary of State,
Washington.

528, October 20, 9 a.m. (SECTION FOUR).

They would be powerful enough to ruin the Navy of Japan
and thus effect a perpetual solution of Far Eastern
difficulties.

If American volunteers cannot be procured, our Air
Force will be trained to fly the new planes. But if the
Government of the United States consents, the procurement
of volunteers in the United States should be no problem.

It is not necessary for me to stress a point of which
you are well aware: in the matter of cooperation among
America, China, and England, we will follow the leadership
of the United States.

We are thankful for the new loan of \$25,000,000
which with other loans of the past two years total
\$75,000,000. The results have been excellent. But I
trust that for further bolstering the morale of the Chinese
people, America will see fit to grant a single big loan
rather than small piecemeal credits. As I have declared
above it is not the Japanese army which we fear, because

our

0533

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

001095

LAR-2- 528, October 20, 9 a.m., (section four) Chungking.

Our army is able to deal with it, but the defiant communists. American economic assistance plus the aid of the American air force can stabilize our unsteady economic and social conditions thus making it impossible for the Communists to carry out their schemes.

I wish you to mention yet another point to your Government. When we commenced to resist Japan's invasion, the Chinese people were informed that the war would continue for a period of three years. Now we have fought over three years but we have not vanquished Japan. No later than August of this year Chinese planes were opposing Japanese bombers but now we do not have planes adequate for this purpose. In consequence of which other Japanese bombing goes unchallenged and the people are filled with disquiet; businessmen ask how long we can prolong the conflict without Anglo-American aid. If the American airplanes cannot reach us before the severance of Indo-Chinese routes the people's spirit and sentiment might become so disturbed as to render the situation impossible of support. (END OF PARAPHRASE)

Comment and interpretations in relation to the foregoing and allied topics follow. (END OF MESSAGE).

Sent to the Department only.

JOHNSON

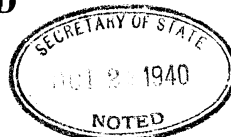
RR-DDM

0534

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

FROM



MHO
This telegram must be
closely paraphrased be-
fore being communicated
to any one. (A-1)

Chungking via N.R.

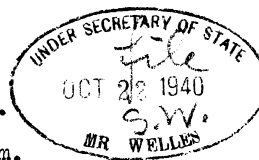
Dated October 21, 1940

Rec'd 7:40 a.m.

Secretary of State,
Washington.

533, October 21, (?) p.m.

My 528, October 20, 9 a.m.



793.94
The comments in strictly confidential code went
forward by safe hand to Hong Kong this afternoon and
should be despatched from Hong Kong by cable some time
this evening.

JOHNSON

DDM

793.94/16250

OCT 24 1940

FILED

F/FG

053

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

335

TELEGRAM RECEIVED

EH

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

FROM

Chungking via Hong Kong

Dated October 20, 1940

Rec'd 11:20 a.m. 21st.

Secretary of State,

Washington.

RUSE

529, October 20, 9 p.m.

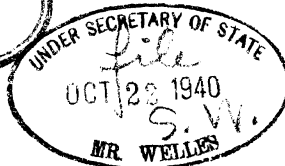
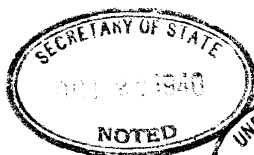
STRICTLY CONFIDENTIAL FOR THE SECRETARY.

My 526, October 18, 9 p.m.

By way of comment I feel that I cannot over-emphasize the remarks set down at the end of my 524, October 17, 7 p.m. reporting my conversation with British Ambassador. It appears that in his conversation with British Ambassador Generalissimo did not mention danger of social collapse due to whispering campaign of Communists and I have not repeated that part of conversation to him as Generalissimo wanted this treated as confidential.

I suggest that we cannot look upon this matter as a mere conflict between Chinese Government and Communism. Chinese Government badly armed and equipped has for three years been fighting desperately against invaders armed and equipped with latest armaments. Chinese Government has from the beginning believed that its cause was our cause.

The



793.94/16291

FILED

OCT 24 1940

713.94
note
711.93
713.24
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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

336

EH -2- 529, October 20, 9 p.m. from Chungking.

The Chinese know our sympathy is with them and have welcomed that and the moral aid that we have given. All along however both Japanese and Communists have stated that our aid would not go beyond sympathy and moral help. The Chinese people have seen their soldiers pushed away from the coast until today they cannot trade with us except with the permission of the Japanese. They have seen our rights flouted by the Japanese and we have done little or nothing about it in a concrete way. They believe in our desire to help but are losing confidence in our ability or our will to help. All of this plays into the hands of Japanese propagandists who from the beginning have stated that the Chinese were fools to depend upon the white or western peoples for help in Asia where Japan alone controls.

It took courage for the British to reopen the Burma Road and thus expose their interests in the Far East to attack from Japan at a time when they are locked in a deadly struggle for existence in Europe. The Chinese believe that the British could hardly have taken this step without encouragement from the United States. It is difficult for the Chinese to believe that we would take this action without following it up by aid to the British

in

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

EH -3- 529, October 20, 9 p.m. from Chungking.

337

in defending themselves against attack in the Far East by the Japanese. They feel that both Britain and the United States need exceptional help that the Chinese could give in holding the Japanese. It is hard for them to believe that the United States will not help them to defend the Burma route and prevent its being closed by the Japanese thus shutting them completely off from outside assistance and force them to choose between the Japanese and Communism. They stipulate that Soviet Russia would be more enthusiastic in supporting them if we would give them positive help. By contrast they believe that the Russians would be more likely to give positive aid to a Communist China if our help is not forthcoming. The Chinese Government would find it difficult to turn about now and make peace with Japan.

For three years we have maintained our Embassy close to the beleaguered Chinese Government a constant symbol of our confidence in it and our desire to aid. Our prestige in the Far East is directly challenged. Are we going to abandon everything that we have stood for in treaty and policy or are we going to defend our rights and take positive and active steps to demand of Japan in particular respect for our rights?

WE

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

EH -4- 529, October 20, 9 p.m. from Chungking, 338

We will have to assist the Chinese and the British in keeping open the Burma road as a symbol of those rights. The Chinese cannot wait until planes are built; they will have to have them at once for today they have neither the planes nor the gasoline to operate them and Japanese controlling the air can bomb the country side at will, a constant reminder to the Chinese population that the power to which they have been led to look for sympathy and aid cannot do anything about it. Nay, the power that has even in the past done nothing to prevent the Japanese finding in our markets the materials necessary to make their campaign a success in China while cutting China off from all contact with the United States.

The statements made to me by the Generalissimo should receive the most serious consideration coming as they do from the head of a Government that has nowhere to look now for help except to us. As I stated above it took courage for the British to reopen the Burma route in the face of Japanese threats. The United States must now back that courage up with such positive aid as to assist in making that route safe. To do otherwise is to put the stamp of validity on all that the Japanese and the Communist have said about the unwillingness of the English and especially

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

329

EH -5- 529, October 20, 9 p.m. from Chungking.

especially the United States to go beyond words in helping
the Chinese to stand independently against aggression by
a stronger power.

The time for action of a positive character is here
and I devoutly hope that the United States is prepared
and ready to take it and that soon. By air to Hong Kong
for repetition by cable.

JOHNSON

C3B

0540

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

743.84

CROSS-REFERENCE FILE

NOTE

SUBJECT Rumored Japanese "designs" on Shanghai.

Denial, by Japanese naval and military spokesmen, encompassing alleged preparations for the taking over of Settlement, Oct 18; building of barracks for internment of foreigners; concentration of either Japanese or Nanking troops in Western District; handing over to Nanking Government of French Concession.

193.34/16202

For the original paper from which reference is taken

See Tel #1077
(Despatch, telegram, instruction, letter, etc.)

Dated Oct 12, 1940 From Shanghai (Butrick)
To

File No. 893.102 S/2319

16202

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

RDS

PLAIN

SHANGHAI VIA N.R.

Dated October 12, 1940

Rec'd 9:48 p.m.

Secretary of State,
Washington.

1077, Twelfth.

According to the English language newspapers the Japanese naval spokesman at the press conference yesterday categorically denied rumors current in Shanghai to the effect that the Japanese forces were preparing to take over the Settlement on October eighteenth. The spokesman is also reported to have denied the report that the Japanese were now building barracks in the Kiangwan region in which they plan to intern foreign residents of Shanghai and added that these rumors probably had their origin in the minds of certain individuals who desire to aggravate relations between America and Japan. Referring to a report that there was a large concentration of either Japanese or Nanking troops in the western district, the Army spokesman is reported to have said that this was merely a rumor and that no concentrations in this area were known in official Japanese circles. The army spokesman is also reported to have refuted the rumor that the French concession would be handed over shortly to the Nanking Government.

Sent

DECLASSIFIED: E.O. 11652, 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- #1077, Twelfth, from Shanghai via N.R.

Sent to the Department. Repeated to Peiping, Chungking. By airmail to Tokyo.

BUTRICK

NK

DECLASSIFIED: E.O. 11652, 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.

Conversation of Alfred Kohlberg with the Japanese
Consul at Swatow in which they discussed the -,

jb

793.94/16253

For the original paper from which reference is taken

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

Dated October 15, 1940 From Barton, Bruce (Representative)
To

File No. SEE 711.94/1771

16253

0544

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

TELEGRAM RECEIVED

COPIES IN PARAPHRASE
SENT TO C.N.I. AND
M.I.D. IN CONFIDENCE
1912/40 *REK*

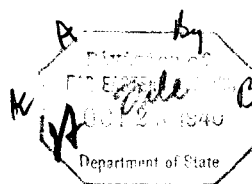
LAR
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (br)

Chungking
FROM Via N. R.

Dated October 22, 1940

Rec'd 11:25 a.m.

Secretary of State,
Washington.



534. October 22, noon.

Following from Kunming: "October 21, 7 a.m.

It is learned that on October 18 ~~raid~~, Paoshan
was attacked, and an unsuccessful attempt on the
Mekong River bridge is reported by local aviation
people. Local officials state that it is Chinese
plan to use smoke screens over the Mekong and Salween
River bridges during air raids. Auxiliary bridges
over these rivers are in progress, it is stated,
with the one across the Mekong reportedly nearing
completion.

Kunming was again under alarm yesterday, with
attacks reported at Mengtsze and environs. Local
bulletin also reports attacking planes in Western
Yunnan, with no details given." Sent to the Depart-
ment. Repeated to Peiping, Hong Kong.

JOHNSON

TFV

793.94
note
793.1541

793.94/16254

FILED
OCT 28 1940

F/FG

0545

DECLASSIFIED: E.O. 11652, 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

The following is the substance of a telegram dated October 21, 1940, from the American Consul at Kunming, transmitted through the American Ambassador at Chungking (his telegram no. 534 dated October 22, 1940):

Paoshan was attacked in the October 18 raid, it has been learned, and local aviation people report that an unsuccessful attempt was made on the Mekong River bridge. During air raids the Chinese plan to use smoke screens over the Mekong and Salween River bridges, according to local officials. It is said that auxiliary bridges are being built over these rivers and that completion of the one over the Mekong is reported to be near.

Yesterday Mengtze and its environs were reported attacked and Kunming was under alarm. Attacking planes in western Yunnan were also reported by a local bulletin but details were not supplied.

FWP
FE:RWB:JFS
10-24

McK
FE

0546

DECLASSIFIED: E.O. 11652, 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

July 7 incident involving American marines and Japanese
gendarmes; Settlement of -,

Memorandum of conversation between Mr. Ballantine and
the Counselor of the Japanese Embassy in connection with -,

jb

793.94/16255

For the original paper from which reference is taken

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

Dated August 30, 1940 From State Department (Division of
To Far Eastern Affairs) Ballantine

File No. SEE 711.94/1775

0547

DECLASSIFIED: E.O. 11652, 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 July 7 incident involving American marines and Japanese gendarmes. Apology requested by the Japanese on -;

Memorandum prepared by the Japanese Embassy and handed to Mr. Welles on August 23 in connection with -; Mr. Welles read and handed the Japanese Ambassador an oral statement prepared by the Department as an answer to -. Ten important points are emphasized.

jb

793.94/16256

For the original paper from which reference is taken

See Tel #362, 5 pm
(Despatch, telegram, instruction, letter, etc.)

Dated Sept 21, 1940 ~~From~~ To Japan

File No. SEE 711.94/1690

0548

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 July 7 incident involving American marines and Japanese plainclothes gendarmes. Apology on the part of the United States for -;

Resume of conversation between Mr. Welles and the Japanese Ambassador on September 20, 1940 in connection with -,

jb

735.94/16257

For the original paper from which reference is taken

See Tel #363.7 pm
(Despatch, telegram, instruction, letter, etc.)

Dated September 22, 1940 From To Japan

File No. SEE 711.94/1690

0549

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

RESTRICTED

Classification

Enclosures
2657-8-276
5-5-4

Record Section File No.

Copy No.

For Record Section Only

MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF
MILITARY ATTACHÉ REPORT

Subject Situation Report, July 24 - August 20, 1940 Country Reported On China
Brief Descriptive Title I.G. No. 793.94

Source and Degree of Reliability:

Press and A. reports from Chungking.
Reliability: good

Summarization of Report

When Required Little important Japanese military activity other than in Shanghai. Operations against coastal ports. Reported evacuation of troops from North China and increasing guerrilla activity. Continuation of Japanese air activity especially over Chungking.

In Comments on Current Events Enter Item Headings Here

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By cl NARS Date 3/20/73

793.94

793.94/16258

NOV 14 1940

F/S

G-2 Distribution: 4, _____
Copy No. 1, R/S; 2, L/C; 3, Section File

5, State

6, _____

From M. A. _____

Report No. 7724

Date August 21, 1940

This line to appear on all succeeding pages

RESTRICTED

Classification

WAR DEPARTMENT
OCS Form 17

U. S. GOVERNMENT PRINTING OFFICE 16-14547

Page 1

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

1. Summary
2. North China
3. Central China
4. South China
5. Guerrilla Activity
6. Air Activity

1. Summary.

During the period under review of 1940, this military operations were dominated by the Japanese and the whole area was relatively more quiet than for many months in the past. In North China the only activity reported by the Japanese consisted of "sopping up" operations against units of the Communist 129th Division in northwestern Shansi and operations against Chinese remnants in Shantung. In Central China action has taken place in Szechwan but the Japanese experienced no particular difficulty in holding their recent acquisitions in the Szechwan-Chong area. There were minor naval operations in the Yangtze area in subordination to the Sunting Lake area in North China and against the coastal ports of Chekiang and Fujian provinces. In South China the principal activity occurred in the Hainan area of Kwangsi - near the Indo-China border. Japanese military and naval aerial activity continued as usual with particular emphasis on Shanghai.

2. North China.

As mentioned above, fighting in North China was sporadic. The Japanese claimed that Communist 5th Route Army troops and Chinese bandits fought in Shantung from July 25th to August 1st. On August 5th the spokesman for the Japanese fleet in North China issued a communique in Shanghai showing the activity of naval landing parties during the period January-June, 1940. These results were surprisingly modest, stating that landing parties had 762 engagements against Chinese remnants in the coastal areas, in which the Chinese left 267 bodies on the field and 157 were captured. Another Japanese report from Taiyuan (Shansi) stated that between July 10th and August 1st a severe "blow" had been dealt the Communist 129th Division operating in northwest Shansi. 3,500 Chinese were reported engaged with Chinese losses of 500 killed and 20 taken prisoner.

The Chinese reported that they had taken Lahuang, head of the Luina-Chinchening highway in southeastern Shansi) and that several points on the Kaohsiung railroad in northern Honan had been blown up. General Wei Li-Huang, commander of the Chinese forces in southern Shansi and northern Honan, stated that the Japanese forces in North China were not sufficient to move up the Han River to southern Shansi or move the Yellow River into Szechwan province.

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

1. *Chlorophyll a* (Chl *a*)

14. The 1st and 2nd Japanese units at the mouth of the Red River at Luchang, were reinforced on July 17th and moved east about 10 kilometers but this was only to deceive the Chinese. The Chinese report the Japanese strength in this sector to be one division at Luchang, and one and one half divisions from that point east to the Red River. The Japanese have removed bases in the jungles and are now operating ships between Hsai and Luchang. In August 1941 there was an artillery duel across the Yungpo at Suilopoet (northwest of Luchang) and also some fighting near Langyang and Suilopoet north of Hsai. In north China the Japanese attempted to gain a foothold on the shore of the entrance to Hsiao Lung (northwest of Luchang) on July 17th but the Chinese claimed that it was unsuccessful.

0552

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

Chinese. The
 Chinese are
 Chinese, and
 Chinese.

Chinese.

Chinese. The Chinese are
 Chinese (twenty miles south of Hanoi) and
 the Chinese reported that they were
 Chinese sources reported that Chinese
 Chinese (twenty miles east of Hanoi) and
 Chinese were reported to have been
 Chinese troops reported against the Japanese in the
 Chinese and north of Hanoi on July 11th.

Chinese. Japanese forces from Hanoi on July
 Chinese and Hanoi to the northwest but Chinese
 Chinese the Chinese strength and were reported by
 Chinese on the 10th to withdraw to Hanoi. In the
 Chinese on July 10th moved from Hanoi
 Chinese (twenty miles east of Hanoi) and
 Chinese were reported to have been driven out by the
 Chinese on the 10th. On August 17th Chinese sources reported
 Chinese were Japanese troops east of Hanoi and
 Chinese on the 11th River east of Hanoi had been
 Chinese on August 17th. They estimated the
 Chinese strength in this area to be two divisions between
 Chinese and Hanoi and one between Hanoi and Yenchow.

Chinese. Just what the Japanese contemplate in
 this area is not clear. Chinese sources report that the
 Chinese troops in the Indo-China area are suffering from
 major complaints such as dysentery, and other sources have
 reported similar very ragged and poorly conditioned Japanese
 in this area. The Japanese so far have not been successful
 in forcing the French to allow them to send reinforcements
 as well as supplies through Indo-China. Some reported that
 the Japanese had sent five divisions to the Yunnan-Tung
 corner of Indo-China to aid the French if attacked, and that
 Chinese troops had attempted to cross the border and were
 repulsed by French troops. This latter statement has not been
 confirmed, and while five Chinese divisions may not be too
 effective, they will help to augment the French forces and
 make the Japanese to bring sufficient reinforcements to
 attempt to secure a quick victory in the event of a movement
 against Indo-China. They may be delaying in the hope for
 special assistance from the Germans when the French armistice
 settlement is made public, or they may be watching the trend
 of the European situation. If this situation resolves itself
 into a lengthy war of blockade it would seem natural for
 the Japanese to take matters into their own hands and demand
 a battle with the French - by use of force if necessary,
 but they probably realize that if they take this course an
 ultimate British victory will undoubtedly mean a reversion
 of Indo-China to the French.

Chinese. Chinese. Chinese. August 21, 1943

0 5 5 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

• Summary.

On August 11th nine Chinese bombers were shot down.
 The Chinese claimed that the plane was shot down and that five
 men were killed.

On 21st in the absence of the military attaché.

• Summary.
 On 21st, 1940
 Assistant Military Attaché

•

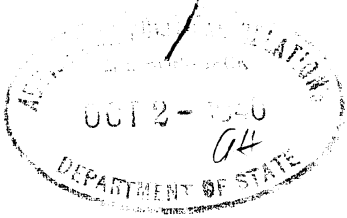
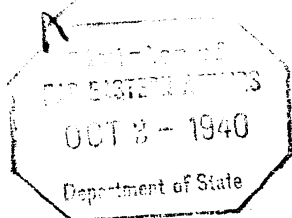
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0555

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

CHINESE EMBASSY
WASHINGTON

WITH THE COMPLIMENTS OF THE CHINESE AMBASSADOR



CHINESE EMBASSY
WASHINGTON

WITH THE COMPLIMENTS OF THE CHINESE AMBASSADOR

0556

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

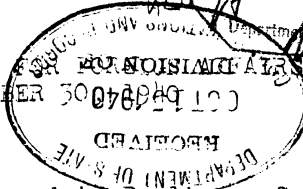
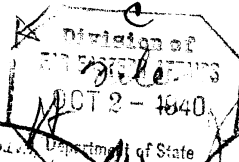
STATEMENT BY THE MINISTER FOR FOREIGN AFFAIRS
 CHUNGKING, SEPTEMBER 30, 1940

"Japan, Germany and Italy signed in Berlin on September twenty-seventh the pact of alliance by which Japan recognizes German-Italian leadership for the establishment of a 'new order of Europe' while Germany and Italy recognize Japan's leadership in the construction of the so-called 'new order of Greater East Asia'. The pact entirely ignores and obviously attempts to destroy the legitimate positions, rights and interests of other European and Asiatic countries as well as the legitimate positions, rights and interests of non-European and non-Asiatic Powers in Europe and Asia. The Chinese Government's consistent policy has been to maintain international law and order in which all nations of the world can live on terms of equality and unity. Any attempt at aggression and violation of the legally constituted world order under the pretext of establishing a 'new order' will be firmly opposed by the Chinese Government in accordance with its traditional policy.

"The Chinese Government and people have firmly resolved to continue the struggle for the maintenance of world order. The Chinese Government will never recognize the so-called 'new order of Greater East Asia', especially Japan's so-called leadership of East Asia. It goes without saying that any pact or agreement signed between third powers will not in any way affect China's legal position, rights and interests or the attitude and policy of the Chinese Government."

Chinese Embassy,

Washington, October 1, 1940



793.94/16259

E/B

OCT 15 1940
FILED

793.94

0557

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

STATEMENT BY THE MINISTER FOR FOREIGN AFFAIRS
CHUNGKING, SEPTEMBER 30, 1940

"Japan, Germany and Italy signed in Berlin on September twenty-seventh the pact of alliance by which Japan recognizes German-Italian leadership for the establishment of a 'new order of Europe' while Germany and Italy recognize Japan's leadership in the construction of the so-called 'new order of Greater East Asia'. The pact entirely ignores and obviously attempts to destroy the legitimate positions, rights and interests of other European and Asiatic countries as well as the legitimate positions, rights and interests of non-European and non-Asiatic Powers in Europe and Asia. The Chinese Government's consistent policy has been to maintain international law and order in which all nations of the world can live on terms of equality and amity. Any attempt at aggression and violation of the legally constituted world order under the pretext of establishing a 'new order' will be firmly opposed by the Chinese Government in accordance with its traditional policy.

"The Chinese Government and people have firmly resolved to continue the struggle for the maintenance of world order. The Chinese government will never recognize the so-called 'new order of Greater East Asia', especially Japan's so-called leadership of East Asia. It goes without saying that any pact or agreement signed between third powers will not in any way affect China's legal position, rights and interests or the attitude and policy of the Chinese Government."

Chinese Embassy,

Washington, October 1, 1940

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

STATEMENT BY THE MINISTER FOR FOREIGN AFFAIRS
 CHUNGKING, SEPTEMBER 30, 1940

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Chinese Embassy,

Washington, October 1, 1940

0555

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

TELEGRAM RECEIVED

FROM

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

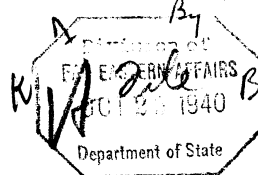
COPIES IN PARAPHRASE
SENT TO O.N.I. AND
M.I.D. IN CONFIDENCE
10/26/40 *PEA*

Kunming via Chungking & N.R.

Dated October 21, 1940

Rec'd 10:16 a.m., 24th.

Secretary of State,
Washington.



October 21, 5 p.m.

Press reports that Tatun (1129-1470) and Yukuopu
(7183; 6665; 6917) on the ~~Shih-chai~~ ^{PI SHIH CHAI} Railway west of
Mengtzi were bombed during yesterday's raid. Tatun is
location of a reported aerial railway project for tin ~~transport~~ ^{TRANSPORT}
and it is possible that the two objectives were tin con-
centration points. It would appear that an attempt will
be made by such attacks to stop Kunming tin exports to the
United States. Newspapers also state that 25 Japanese
bombers yesterday flew to the west of Kunming but no details
were given and it is unlikely that future press reports will
specify objectives or damage on the Burma Highway. Sent
to the Department, repeated to Peiping.

PERKINS

WWC
CSB

OCT 23 1940
FILED

F/FG

793.94/16260

793.94

0560

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

EE

TELEGRAM RECEIVED

340

CORRECTED COPY

JT

FROM

CHUNGKING VIA N.R.

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

Dated October 24, 1940

Rec'd 1:35 p.m.

Secretary of State,
 Washington.

COPIES IN PARAPHRASE
 SENT TO O.N.I. AND
 M.I.D. IN CONFIDENCE
 10/29/40

Division of
 FAR EASTERN AFFAIRS
 OCT 28 1940
 Department of State

corrected copy

543, October 24, noon.

One. In our conversation of October 18 (my telegrams Nos. 526 and 528) General Chiang Kai Shek explained that one of the two chief dangers under the continuation of Chinese resistance to Japan involved the activities of the Chinese communists who are utilizing oral propaganda in attacking the policy of the Chinese Government with the consequent deterioration of social and economic conditions and the morale of the people. He also made note of the present equivocal attitude of Soviet Russia vis-a-vis China pointing out that in his view Russian policy in the Far East can be influenced by such actions and clearly inferring that if the United States does not adopt a policy of active aid to China there is a likely possibility that Russia will be led to support and lend large scale aid to the Chinese communists. This latter possibility was mentioned in my telegram No. 360, July 24, 10 a.m.

Two.

77 790.94/10201

NOV 1940

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

341

-2- No. 543, October 24, noon, from Chungking

Two. In my telegrams 353, July 20, 10 a.m. and 357, August 3, noon, I made mention of reports to the effect that the National Government and the Chinese communists had, as a result of negotiations, reached an understanding in regard to several conflicting problems and in my political summary for September I reported that Kuomintang communist relations remained harmonious although measures for the removal of the new Fourth Army from Central to North China were yet to be devised.

(END SECTION ONE)

JOHNSON

TFV

056

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

CORRECTED COPY

342

FROM

JT

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

CHUNGKING VIA N.R.

Dated October 24, 1940

Rec'd 1:40 p.m.

Secretary of State,
Washington.

543, October 24, noon (SECTION TWO)

THREE. Since my last conversation with the Generalissimo, I have been informed by a source very close to the Generalissimo that the Chinese communists have refused to move their forces now operating in central China to North China. The same informant confirmed, however, that the Chinese communists desire to prolong the Sino-Japanese conflict; but he expressed the opinion that the communists wish to foster the continuation of hostilities primarily with a view to consolidating their position in China. In other words they are taking advantage of Chiang's pre-occupation with the Sino-Japanese conflict to strengthen their own position in various areas of Central and North China. In this connection, it is generally conceded, even in local communist quarters, that the Chinese communists have engaged in little military activity against the Japanese forces in the past eighteen months, contenting themselves largely with the establishment of military bases,

DECLASSIFIED: E.O. 11652, 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- No. 543, October 24, Noon (SEC TWO) from Chungking³¹³
 bases, mobilization of the people and defense measures
 against Japanese mopping-up campaigns.

Four. I am of the opinion that the possibility of
 an open break between the National Government and the
 Chinese communists remains remote at this time, although
 failure of the United States and Great Britain to afford
 timely aid to China may in the end result in communist
 ascendancy in China. Under existing circumstances, I
 believe that both factions are so committed to the expul-
 sion of the Japanese and that such a course of action is
 of such vital concern to the existence of both groups
 that they will continue by means of compromise to cooperate
 against Japan. As has been indicated above such a policy
 probably will benefit the communists more than the
 existing government because the former is afforded the
 opportunity of consolidating its position in a country
 whose economic and social systems continue to deteriorate
 under the relentless impact of the Japanese military
 machine.

Sent to the Department only.

(END OF MESSAGE)

JOHNSON

TFV

DECLASSIFIED: E.O. 11652, 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)

344

PARAPHRASE

CONFIDENTIAL

A telegram (no. 543) of October 24, noon, from the American Embassy at Chungking reads substantially as follows:

The Generalissimo declared on October 18 in an interview which I had with him (Chungking's telegrams nos. 526 and 528) that oral attacks in a Chinese communist propaganda campaign against the National Government, with deleterious effect upon the morale and social and economic life of the people, constituted one of the two principal risks involved in the continuation of Chinese resistance to Japanese aggression. General Chiang referred to the Soviet Union's ambiguous policy toward China. He plainly gave me to understand that Soviet policy in the Far East is susceptible to certain influences, and that the Kremlin will be encouraged to afford greater assistance to the Chinese communists if the United States does not positively aid China. (Embassy's telegram no. 360, July 24, 10 a.m.)

The Department will recall that I relayed (Chungking's telegrams nos. 353, July 20, 10 a.m., and 357, August 3, noon) reports that after negotiating, the central authorities and the communists had come to a working agreement concerning several questions over which they had been at odds. Relations between the two factions, as reported in the Embassy's political summary 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

-2-

for September, were thereafter without serious friction. A plan had not been worked out, however, for the transfer to North China of the New Fourth Army stationed in central China. I have now learned, subsequent to my last meeting with General Chiang, from an informant in close touch with him, that the communists have declined to transfer to North China their central China troops.

The Chinese communists hope to extend the hostilities with Japan, the same source declared, with the purpose of entrenching themselves. They seek to make use of the Generalissimo's involvement in the fight with Japan to consolidate themselves in North and central China. That the communists have taken little military action against the Japanese during the past year and one half is generally admitted, even among the communists here. They have confined their efforts to mass mobilization, building military bases, and taking protective action against punitive expeditions by the Japanese.

As matters now stand, I believe that the National Government and the communists are both so committed to driving the Japanese out of China and that this policy is of such crucial importance to the continued existence of both factions that they will continue adherence to the United Front. It would therefore seem that an open

break

0566

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

CONFIDENTIAL

-3-

break between the two groups is now only a remote possibility, although the communists may ultimately gain the ascendancy as a result of failure on the part of the United States and Great Britain to extend timely aid to China.

The continuance of the United Front benefits the communists more than the Kuomintang faction because the unrelenting attacks of the Japanese against continued Chinese resistance are steadily breaking down the Chinese economic and social structure. In this deteriorating society the communists easily establish themselves.

JD
FE:JD:MHP
10/29/40

Not
FE

0567

DECLASSIFIED: E.O. 11652, 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

FE

TELEGRAM RECEIVED

FROM

JT

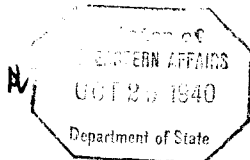
This telegram must be closely paraphrased before being communicated to anyone. (A)

CHUNGKING VIA N.R.

Dated October 24, 1940

Rec'd 1:35 p.m.

Secretary of State,
 Washington.



543, October 24, noon.

One. In our conversation of October 18 (my telegrams Nos. 526 and 528) General Chiang Kai Shek explained that one of the two chief dangers under the continuation of Chinese resistance to Japan involved the activities of the Chinese Communists who are utilizing oral propaganda in attacking the policy of the Chinese Government with the consequent deterioration of social and economic conditions and the morale of the people. He also made note of the present equivocal attitude of Soviet Russia vis-a-vis China (*) pointed out that in his view Russian policy in the Far East, are more influenced by the actions (*) and clearly inferring that if the United States does not adopt a policy of active aid to China there is a likely possibility that Russia will be (?) support and lend (?) its aid to the Chinese Communists. This latter possibility was mentioned in my telegram No. 360, July 24, 10 a.m.

Two.

793.94

note

761.93

793.00

793.94/10261

793.94

0568

DECLASSIFIED: E.O. 11652, 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- No. 543, October 24, noon., from Chungking

Two. In my telegrams ^{893.00/14565} 353, July 20, 10 a.m. and ^{893.00/14567} 357, August 3, noon, I made mention of reports to the effect that the National Government and the Chinese Communists had as a result of negotiations reached an understanding in regard to several conflicting problems and in my political summary for September I reported that Kuomintang communist relations remained harmonious although measures for the removal of the new Fourth Army from Central to North China were yet to be devised.

(END SECTION ONE)

JOHNSON

NPL

(*) Apparent omissions

0569

DECLASSIFIED: E.O. 11652, 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

RDS

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

FROM

CHUNGKING VIA N.R.

Dated October 24, 1940

Rec'd 1:40 p.m.

Secretary of State,
Washington.

543, October 24, Noon (SECTION TWO)

Three. Since my last conversation with the General-
issimo, I have been informed by a source very close to
the Generalissimo that the Chinese Communists have refused
to move their forces now operating in central China (*)
North China. The same informant confirmed, however,
that the Chinese Communists desire to prolong the Thai-
Japanese conflict; but he expressed the opinion that the
Communists wish to (?) the continuation of hostilities
primarily with a view to consolidating their position in
China. In other words they are (?) Chiang's preoccupa-
tion with the Thai-Japanese conflict to strengthen their
own position in various areas of Central and North China.
In this connection, it is generally conceded, even in
local communist quarters, that the Chinese communists
have engaged in little military activity against the
Japanese forces in the past eighteen months (?) content
(?) themselves largely with the establishment of military
bases,

0570

DECLASSIFIED: E.O. 11652, 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- #543, October 24, Noon (SECTION TWO) from Chungking
via N.R.

bases, mobilization of the people and defense measures
against Japanese mopping-up campaigns.

Four. I am of the opinion that the possibility of
an open break between the National Government and the
Chinese communists remains remote at this time, although
failure of the United States and Great Britain to afford
timely aid to China may in the end result in Communist
ascendancy in China. Under existing circumstances, I
believe that both factions are so committed to the expul-
sion of the Japanese and that such a course of action is
of such vital concern to the existence of both groups
that they will continue by means of (?) to cooperate
against Japan. As has been indicated above such a policy
probably will benefit the Communists more than the existing
government because the former is afforded the opportunity
of consolidating (?) position in a country whose economic
and social systems continue to deteriorate under the re-
lentless impact of the Japanese military machine.

Sent to the Department only.

(END OF MESSAGE)

JOHNSON

NPL

0571

DECLASSIFIED: E.O. 11652, 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

The following is the substance of a telegram dated October 21, 1940, from the American Consul at Kunming:

During yesterday's raid Yukuopu and Tatun, on the (?) Shihchai Railway west of Mengtze, were bombed according to press reports. An aerial railway project for tin (mines?) is reported located at Tatun, and the two places bombed were possibly concentration points for tin. By such attacks an attempt to stop Kunming tin exports to the United States will apparently be made. Twenty-five Japanese bombers yesterday flew to the west of Kunming, newspapers also state, but details are not given. Objectives or damage on the Burma Road probably will not be specified in future press reports.

^{RWB}
FE:RWB:OJL

^{RKX}
FE

10-25

0572

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

AC

TELEGRAM RECEIVED

Kunming via Chungking
and N.R.

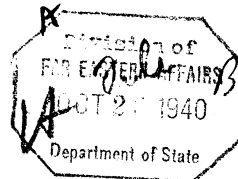
FROM Dated October 24, 1940

Rec'd 3:50 a.m., 25th

Secretary of State

Washington

COPIES SENT TO
O.N.I. AND M.I.D.
10/26/40 R.E.K.



October 24, 10 a.m.

Local newspapers report that yesterday at about
1 p.m. nine Japanese light dive bombers laid mines
between Mengtsze and Tangchui, reportedly without
damage.

Sent to the Department, Peiping.

UNSIGNED

DDM

793.94/10462

743.94

FILED
OCT 28 1940

F/FG

0573

DECLASSIFIED: E.O. 11652, 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

File
 SPECIAL
 DIVISION
 OCT 29 1940
 DEPARTMENT OF STATE

FROM

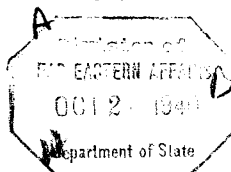
AC
 This telegram must be
 closely paraphrased be-
 fore being communicated
 to anyone. (Br)

Hankow via N.R.

Dated October 25, 1940

Rec'd 1:51 p.m.

Secretary of State
 Washington



October 25, 3 p.m.

Referring to my telegram of October 16, 2 p.m.

Japanese steamers resumed carrying of foreign
 passengers to Shanghai on October 21. Thirteen
 Americans have left within the past five days. Latest
 arrivals from Shanghai report no sign of Chinese
 military activity at Matang or elsewhere along River.

Sent to Chungking. Repeated to Department,
 Peiping and Shanghai.

SPIKER

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793.94 / 16263

OCT 30 1940

FILED

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0574

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

TELEGRAM RECEIVED

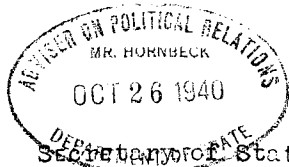
KD

PLAIN

FROM Chungking via N.R.

Dated October 25, 1940

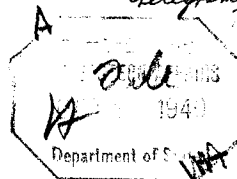
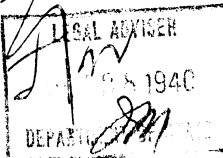
Rec'd. 1:55 p.m.



Secretary of State

Washington

COPIES SENT TO
O.N.I. AND M.I.D.
10/26/40 RSK



544, October 25, 6 p.m.

One. Japanese planes resumed bombardment of Chungking today. Twenty-six heavy bombers flying from northwest to southwest dropped bombs in Kiangpoh, the lower portion of the city between the Yangtze River and the Kialing River and on the south bank of the Yangtze at 11:15 a.m. Later at least eight light bombers attacked areas in the west part of the city and the western suburbs. Damage was restricted largely to shop and residential structures of the poorer kind. There were probably one hundred casualties in the city proper and Kiangpoh while at least twenty-five persons were killed and thirty-two seriously wounded on the south bank.

Two. The heavy bombers followed a course immediately over the Embassy premises and the U.S.S. TUTUILA and bombs fell west north and east of them the nearest being about three hundred yards north of the Embassy

793.94/16264

F/FG

793.94

note

124.931

393.115

Chungking

Del Co.

NOV 1 1940
FILED

0575

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

346

-2- #544, October 25, from Chungking via N.R.

Embassy and the ship. Altogether eleven bombs fell on the south bank of the Yangtze some near the river bank (well within the Japanese designated safety zone) and others eastward as far as the first range of hills.

Three. An ice plant of the Chungking Ice Company, an American firm, was damaged during the raid and losses are reported to be estimated at \$1,000 United States currency. All Americans are believed safe.

Sent to the Department. Repeated to Peiping, Hankow, Shanghai. Shanghai please repeat to Tokyo.

JOHNSON.

TFV

0576

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

347

PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
☒ CONFIDENTIAL CODEX
☐ NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN
 "BR"

Collect { Full rate
 Day letter
 Night letter

Charge Department:

Full rate
 Day letter
 Night letter

Charge to
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Department of State

1940 OCT 26 PM 1 59

Washington,

October 26, 1940.

Division of
 Communications
 AND RECORDS

BR

2 PM

AMEMBASSY,

TOKYO (JAPAN) VIA SHANGHAI AND N.R.

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

425

Chungking's) 544, October 25, 6 p.m.

It is suggested that, in your discretion, as in the cases of recent instances of the endangering by Japanese bombing of American properties, both official and private, you may care to bring to the attention of the Foreign Minister the bombing described in Chungking's telegram under reference which jeopardized the American Embassy and the U.S.S. Tutuila at that place and damaged American property there.

Sent to Tokyo via Shanghai. Repeated to Chungking and Peiping.

note
 124,931
 31130 airtel
 Fleet
 393.118 Chungking
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H-22

544

793.94/16264

6A

FE:GA:HES

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Enciphered by

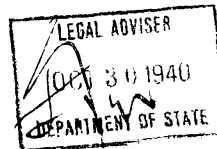
Sent by operator M., 19

793.94/16264

F/FG

0577

DECLASSIFIED: E.O. 11652, 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

JT

CHUNGKING VIA N.R.

FROM Dated October 26, 1940

Rec'd 12:58 p.m.

Secretary of State
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.
10/28/40 R.E.H.



546, October 26, 1 p.m.

793.94

Two groups of heavy bombers numbering fifteen and eight machines respectively dropped demolition bombs in the central and lower districts of Chungking at approximately twelve fifteen p.m. today apparently causing only minor damage.

Details will be radioed when available.

Sent to the Department, repeated to Peiping, Hankow and Shanghai. Shanghai mail to Tokyo. Air mail to Kunming.

JOHNSON

CSB

FILED
OCT 31 1940

793.94/16260

F/RG

0578

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

TELEGRAM RECEIVED

LAR

PLAIN

Peiping via N. R.

FROM
Dated October 26, 1940.

Rec'd 12:01 p.m.

Secretary of State,
Washington.

405, October 26, 1 p.m.

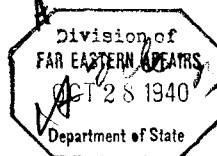
Chungking 544, October 25, 6 p.m., endangering
of American Embassy and U.S.S. TUTUILA and bombing
of Chungking Ice Co.

Representations made to Japanese Embassy here
today.

Sent to the Department, reported to Chungking,
Hankow and Shanghai, by mail to Tokyo.

SMYTH

OSB



793.94
note
124.931
393.115 Chungking
See Co

FILED
OCT 31 1940

793.94/10260

F/FG

0575

DECLASSIFIED: E.O. 11652, 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
 NOV 2 - 1940
 DEPARTMENT OF STATE

TELEGRAM RECEIVED

LAR

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

Kunming via Chungking and N.R.

FROM Dated October 26, 1940

Rec'd 7:30 a.m., 28th.

Secretary of State,
 Washington.

39
 October 26, 5 p.m.

10/29
 shown to
 ONI MID
 JD

Division of
 EASTERN AFFAIRS
 OCT 28 1940
 Department of State

In a surprise attack on the city at 7:30 this morning six Japanese planes, pursuit and dive bombers, shot down a new trimotor junkers plane of the Eurasia Company which burned. German pilot and two Chinese wounded although not seriously. It is reported that trucks and cars on city's circular road were machine gunned. Airport was attacked but damage not yet known. Ten minute warning caught populace in mid-flight from town. A bomber squadron flew west later in the morning.

Yunnanyi air field was reported raided yesterday, results unknown.

Sent to the Department via Chungking. Repeated to Peiping.

UNSIGNED

TFV

793.94/16267

FILED
 NOV 8 1940

F/FG

743.94
 DEPARTMENT OF STATE
 OCT 28 1940

0580

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

Par

K

COPIES IN PARAPHRASE
SENT TO O.N.I. AND
M.I.D. IN CONFIDENCE
10/29/40 *REK*

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

TELEGRAM RECEIVED

Rangoon

Dated October 28, 1940

FROM

Rec'd 11 a.m.

Secretary of State,
Washington.

K
Division of
EASTERN AFFAIRS
OCT 28 1940
Department of State

October 28, 1 p.m.

Japanese air planes bombed factory of Central
Aircraft Manufacturing Company at Loaiing, China
October 26. According to a report received by Burma
Government twenty-five persons were killed but number
does not include any Americans so far as known. It
is reported that power plant was badly damaged, two
Chinese workmen's settlements bombed and burned, and
a number of training and other planes destroyed. A
report that one or more bombs fell inside Burmese
territory is being investigated.

793.94

TFV

BRADY

793.94/16268

FILED

NOV 1 1940

F/FC

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

(CONFIDENTIAL)

PARAPHRASE

The following is the substance of a telegram dated October 28, 1940, from the American Consul at Rangoon:

The Central Aircraft Manufacturing Company's factory at Loiwing, China, was bombed on October 26 by Japanese planes. Twenty-five persons were killed according to a report received by the Burma Government, but as far as is known no Americans were included. Reports are that a number of training and other planes were destroyed, the power plant badly damaged, and two Chinese workmen's settlements bombed and burned. Investigation is being made of a report that one or more bombs fell inside Burmese territory.

RWB
FE:RWB:OJL

HEK
FE 10-29

0582

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

248

TELEGRAM RECEIVED

LEGAL ADVISER

NOV 1 1940

DEPARTMENT OF STATE

FROM

LAR

PLAIN

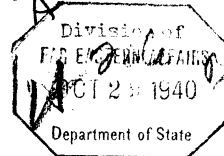
COPIES SENT TO
O.N.I. AND M.I.D.
10/29/40 REK

Chungking via N. R.

Dated October 28, 1940

Rec'd 7:25 a.m.

Secretary of State,
Washington.



547, October 28, noon.

My 546, October 26, 1 p.m., bombing of Chungking,
October 26.

The Ford sedan of the American Assistant Naval
Attache valued at approximately five hundred dollars
United States currency was completely destroyed during
the attack on the lower district of the city. Other
American properties apparently escaped without damage.

Sent to the Department. Repeated to Peiping,
Hankow and Shanghai. Shanghai please repeat to Tokyo

JOHNSON

HPD

793.94
note
121,5593

793.94 / 10359

NOV 1 1940
FILED

F/FC

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

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese conflict.

Interview between Hirochi Kondo, Vice Minister of Foreign
 Affairs, Tokyo, and a Treasury agent in regard to -,
 Encloses a copy of -;

jb

793.94 / 16270

For the original paper from which reference is taken

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

Dated October 14, 1940 From Treasury Department
 To

File No. SEE 893.102 S/2343

16270

0584

DECLASSIFIED: E.O. 11652, 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

Chiang Kai-shek is prepared to make certain decisions in event that Japanese-Soviet agreement is made; with cessation of Soviet aid resistance would be difficult; reports British Ambassador's efforts to see Molotov concerning -.

703.94/16271

For the original paper from which reference is taken

Tel.#1390 5 p m

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

Tel.#1390 5 p m U.S.S.R. (Steinhardt)
Dated _____ From {
 To { _____

761.94/1230

File No. _____

U. S. GOVERNMENT PRINTING OFFICE 1-1540

bb

16271

058

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

TELEGRAM RECEIVED

AS

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

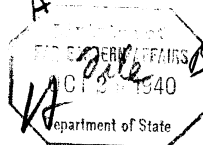
FROM Tokyo via Shanghai & N.R.

Dated October 28, 1940

Rec'd 11:27 p.m.

Secretary of State,

Washington.



1074, October 28, 9 p.m.

Department's 425, ^{793.94/16264} October 26, 2 p.m., bombing

of Chungking.

Action taken today. (END BROWN).

Sent to the Department via Shanghai. Shanghai
please repeat to Chungking, Peiping.

GREW

TFV

793.94/ 16272

FILED
NOV 1 1940

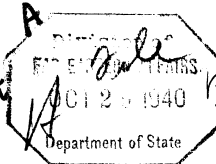
F/FG

0586

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

TELEGRAM RECEIVED

10/30 Substance
 communicated
 orally to ONI
 FROM + MID 70



AS

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

Kunming via Chungking & N.R.

Dated October 28, 1940

Rec'd 5 a.m., 29th

Secretary of State,

Washington.

October 28, 7 p.m.

During a nine hour alarm nine Japanese dive
 bombers and four pursuit craft bombed Kunming at
 11:30 today apparently aiming at a bridge near small
 east gate on the circular city road which is a vital
 point of evacuation during raids, but which was not
 hit but hills to north of town were sprayed by machine
 guns. 36 planes reportedly attacked the Mekong bridge.
 For the last three days alarm has been sounded shortly
 after 7 a.m. continuing until afternoon, causing
 stoppage of daylight activity in city.

It is widely rumored here with no confirmation
 obtainable that on October 26 Loiwing as well as Wanting
 were attacked, no damage mentioned.

Sent to the Department, repeated to Peiping.

JOHNSON

CSB

793.94/16273

FILED

NOV 1 1940

F/FG

793.94

058

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

TELEGRAM RECEIVED

COPIES IN PARAPHRASE
 SENT TO C.N.I. AND
 M.I.D. IN CONFIDENCE
 10/30/40 *ack*

FROM

Canton

10/30
Correction to follow
JD

JI
 This telegram must be
 closely paraphrased be-
 fore being communicated
 to any one. (br)

Hankow via N. R.

Dated October 29, 1940

Rec'd 5:15 a.m.

Substance communicated
to ONLY MID
JD

Secretary of State
 Washington

By
Division of
Foreign Affairs
10/30/40
Department of State
NI
RB

October 29, 11 a.m.

South China expeditionary force has announced a
 voluntary withdrawal of Nanning. Japanese state reason
 for withdrawal is their ability to dominate supply routes
 to free China from newly acquired bases in French Indo-
 china.

From various reports it would appear that Japanese
 garrisons in southern China have been weakened by with-
 drawal of forces for use in Indochina and that Chinese
 forces, maintaining constant pressure on the occupied
 area, were able to effect occupation of Nanning.

Sent to Peiping. Repeated to the Department, Chung-
 king.

MYERS

TFV

793.94/16274

FILED

F/FG

793.94

0588

DECLASSIFIED: E.O. 11652, 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

The following is the substance of a telegram dated October 29, 1940, from the American Consul General at Canton:

The voluntary withdrawal of the South China expeditionary force from Nanning has been announced. Ability to dominate supply routes to free China from newly-acquired bases in French Indochina is stated by the Japanese to be the reason for withdrawal.

It would appear from various reports that Chinese forces, maintaining constant pressure on the occupied area, were able to effect occupation of Nanning, the withdrawal of Japanese forces for use in Indochina having weakened Japanese garrisons in southern China.

793.94/16274

RWB
FE:RWB:HNS
10/30

Nok
FE

0589

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



THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

No. 109

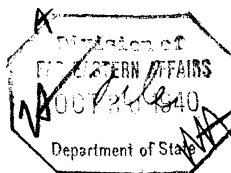
AMERICAN EMBASSY
 Nanking, China,
 September 24, 1940.

SUBJECT: Japanese "Mopping Up" Operations Against
 New Fourth Army in Northeastern Anhwei.

RECEIVED
 DEPARTMENT OF STATE

1940 OCT 29 PM 3 27

DIVISION OF
 COMMUNICATIONS
 AND RECORDS



| For Distribution Check | |
|------------------------|-------------------|
| Grade | Good |
| For | Stanton ONI & MID |

793.94

COPIES SENT TO
 ONI AND MID
 11/25/40 REX

COMMERCIAL AFFAIRS
 Department of State

NOV 29 1940

DIVISION OF

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

I have the honor to report that according to Japanese news despatches the growing strength and activities of the so-called New Fourth Army along the Anhwei-Kiangsu border in the Hungtze (洪澤) and Kaoyu (高郵) lake areas caused the Japanese military authorities to under-

take

793.94/16279

F/HG

DECLASSIFIED: E.O. 11652, 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 -

take widespread "mopping up" operations in those districts.

According to these reports operations have been in progress for the past two weeks and have now been successfully concluded. These despatches reveal that at least eight Japanese detachments, each probably comprising about a thousand men, have been engaged in operations designed to encircle the New Fourth Army in northeastern Anhwei and western Kiangsu and to destroy its bases; the Japanese air force and Japanese naval units have also participated. It appears from Japanese reports that these operations commenced on September 5th. Two detachments advanced east from the Tientsin-Pukow Railway and, after overcoming considerable resistance, are said to have captured T'ungch'eng (銅城), about forty five miles east of Mingkwang, on the afternoon of September 10th. This town is described in Japanese despatches as one of the principal concentration centers and bases of the New Fourth Army in northeastern Anhwei. Other detachments supported by Japanese naval units advanced from Lake Kaoyu to Lake Hungtze by way of the Sanho River (三河) which connects the two lakes, and, after occupying several small villages on the southern shore of Lake Hungtze, linked up with the forces which captured T'ungch'eng. North of the Hwai River a further drive was undertaken from Kuch'eng and is reported to have resulted in the capture of another base located some twenty five miles north of Kuch'eng.

Japanese reports claim sweeping successes, including the encirclement and extermination of the majority of the New Fourth Army in this area and the destruction of its principal bases. It has not been possible to

verify

DECLASSIFIED: E.O. 11652, 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 -

verify these claims from independent sources. However, it would appear that the Japanese encountered strong opposition inasmuch as it is admitted in one Japanese news despatch that the Japanese suffered "almost a thousand casualties". Furthermore, a considerable number of wounded are known to have entered Nanking during the past week.

An interesting feature of these operations has been the use of several thousand Chinese troops from the so-called "Pacification Army" of the Wang regime. Although General Jen Yuan-tou, the Commander-in-Chief of these forces, issued a statement upon the return of his warriors extolling their prowess, stories are current locally to the effect that these troops moved in to battle with the greatest reluctance; that many desertions occurred and that the Japanese found them wholly unreliable.

Respectfully yours,

For the Consul in Charge
at Shanghai:



E. F. Stanton
American Consul

710 S-J

EFs/ha

In quintuplicate to the Department
Copy to the Embassy, Peiping
Copy to the Embassy, Chungking
Copy to the Consulate General, Shanghai

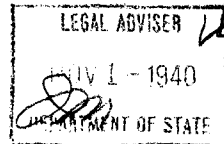
0592

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

TELEGRAM RECEIVED

JR

PLAIN



Shanghai via N. R.

FROM

Dated October 29, 1940

Rec'd 2:25 p.m., 30th.

Secretary of State,

Washington.

1167, 29th.

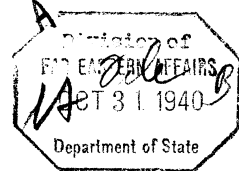
Chungking's 544, October 25, 6 p.m. Japanese
air raid on Chungking of October 25.

Written representations made to Japanese
Consul General today in regard to endangering of Embassy
premises and U.S.S. TUTUILA and damaging of Chungking
Ice Company property.

Sent to Department. Repeated to Chungking, Peiping,
Hankow. Air mail to Tokyo.

LOCKHART

TFV



NOV 5 1940
FILED

793.94/16276

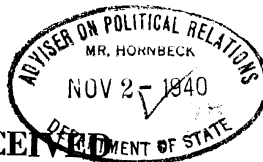
F-13

793.94

0593

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

349



TELEGRAM RECEIVED

AS

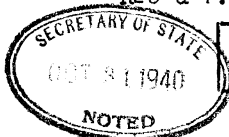
This telegram must be closely paraphrased before being communicated to anyone. (A)

Chungking via N. R.

FROM Dated October 31, 1940

Rec'd 7:48 a.m.

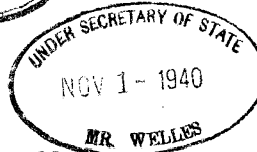
Secretary of State,
Washington.



SENT TO
THE PRESIDENT

551, October 31, 11 a.m.

CONFIDENTIAL FOR THE SECRETARY.



Pursuant to your instructions I called on

Generalissimo Chiang yesterday afternoon at his private residence and orally communicated to him the substance of your 181, October 24, 5 p.m. He listened attentively and although he made no particular comment in respect of the various points conveyed in your message I gathered the impression that he was pleased with it. After a discussion of another subject introduced by General Chiang which I shall report in a separate telegram and one significant observation from him to the effect that today the United States is the one country which can be called "a pillar of peace" he concluded the interview by asking me to communicate to you and the President the following: "I wish to express to you my deep thanks for your kind assistance.

Will

79394

793.94/16277

0594

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

350

AS-2- No.551, Oct. 31, 11 a.m., fr. Chungking.

Will you please convey our deep gratitude to the President of the United States and the Secretary of State. We are grateful beyond words for the sympathetic consideration which they have given our problems; we are especially grateful that the President has taken time to consider this matter at a time when he is so busy just before the election. In my nightly prayers I always think of Mr. Roosevelt and I earnestly hope that he will soon be able to restore peace to a chaotic and disordered world."

Sent to the Department only.

JOHNSON

TFV

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

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

File Designation 793. 94/16278
 Date OCT. 17, 1940
 From FBI (HOOVER)
 To BERLE (ASST. SEC. OF STATE)

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

☐ Security-Classified Information

☒ Otherwise Restricted Information

J. E. Neas
 Authority

5-22-73
 Date

GENERAL SERVICES ADMINISTRATION

GSA FORM 7117 (2-72)

GSA DC 72-10421

WITHDRAWAL NOTICE

0596

DECLASSIFIED: E.O. 11652, 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 Financial aspects of the Sino-Japanese hostilities;
effect of Japanese domination of China.

Memorandum on the remarks of Mr. J. A. Mackay of the
Shanghai Branch of the National City Bank of N. Y. and
supervising manager for China as expressed in a
conversation with James Espy, 3d Sec. at Tokyo and
Mr. Weil, in regard to -, enclosed.

jb

795.94/16279

For the original paper from which reference is taken

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

Dated June 10, 1940 From Weil, T. Eliot
To

File No. SEE 893.5151/779

16279

0597

DECLASSIFIED: E.O. 11652, 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

Agitation directed against American interests which has taken the form of mass meetings and demonstrations by Japanese residents and an inflammatory press campaign in the Japanese-controlled press.

Note from Japanese Embassy indicates that through investigation by Japanese police, show that most incidents may be regarded as an aftermath of the arrest of Japanese men by U. S. marines.

eh

For the original paper from which reference is taken

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

Dated August 23, 1940 From Japanese Embassy
76//

File No. 711.94/1795

174

793.34/ 16280

16280

0598

DECLASSIFIED: E.O. 11652, 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 The closing of the Burma Road was generally
recognized as a necessary, time-gaining
concession to Japan.

793.94 / 16280 1/2

For the original paper from which reference is taken

See #923
(Despatch, telegram, instruction, letter, etc.)

Dated Sept. 14, 1940 From Singapore (Patton)
To

File No. 846d.00 P. R./80

U. S. GOVERNMENT PRINTING OFFICE 1-1540

hr

PS / MFM

0599

DECLASSIFIED: E.O. 11652, 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

Deterioration of relations, between the United States and Japan and their nationals.

Informs that there has been a diminution in the number of Anti-American incidents; however the Japanese show a unreasonable attitude toward most current problems.

eh

For the original paper from which reference is taken

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

Dated Aug 31, 1940 From State Department
///Vø/// Far Eastern Affairs
(Atcheson)

File No. f.w. 711.94/1795

703.94/16281

703.94/16281

16281

0600

DECLASSIFIED: E.O. 11652, 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 Japanese losses in the vicinity of Yoyang, Hunan as a result of the intended campaign along the Canton-Hankow railway and from the Shasi-Ichang sector through Changteh. Attacks by Chinese regular forces on Japanese forces on Japanese garrison towns in Hupeh to the north and east of Hankow.

jb

733.94/ 16282

For the original paper from which reference is taken

See Report

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

Dated Sep 10, 1940 From Hankow (Jarvis)
To

File No. SEE 893.00 P.A. Hankow/158

16282

DECLASSIFIED: E.O. 11652, 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

Long-standing and wide-spread Japanese interference with
 American rights and interests.

Contents of memorandum received from the Japanese Embassy
 is unresponsive to the complaints of the United States
 Government regarding -.

For the original paper from which ^{eh}reference is taken

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

Dated Sept 19, 1940 From
To Japanese Embassy

File No. 711.94/1795

793.94/ 16286

16272

DECLASSIFIED: E.O. 11652, 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

Questions at issue between the Government's of the
 United States, and Japan.

Informs Japanese Ambassador that tone of the language
 employed in Japanese Ambassador's memorandum of
 August 23, could hardly advance the -,

For the original paper from which^{wh} reference is taken

See MEMO
(Despatch, telegram, instruction, letter, etc.)
 State Department
 Under Secretary
 (Welles)
 Dated September 20, 1940 From Welles

File No. f.w. 711.94/1795

711.94

711.94/16234

16234

0603

DECLASSIFIED: E.O. 11652, 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 Conflict.

Military operations in South, Central and North China,
Shantung, along the coast together with aerial
activities on Chungking. Resume of -,

jb

793.94 / 16285

For the original paper from which reference is taken

See #2855
(Despatch, telegram, instruction, letter, etc.)

Dated September 20, 1940 From China (Smyth)
To

File No. SEE 893.00 P.R./176

16285

0604

DECLASSIFIED: E.O. 11652, 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

Japanese military operations in China for the month of August 1940. was characterized as a "mopping up" operation. Summary on activities in the Anhwei Province; naval landings along the South China Coast; and the long distant raids on Chungking.

jb

733.94/16286

For the original paper from which reference is taken

See Despatch #5054
(Despatch, telegram, instruction, letter, etc.)

Dated October 8, 1940 From Japan (Grew)
To

File No. SEE 894.00 P.R./153

16286

0605

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

79377

CROSS-REFERENCE FILE

NOTE

SUBJECT Japan, challenged by Chiang Kai-shek, embarked upon conflict with great reluctance; no territorial designs are held. U.S. would do well to recognize "actual situation"; remedy same by discontinuance of assistance extended China. Cooperation of American capitalists desired by Japan in the development of Chinese resources. Foregoing according to Professor Asatiro Miyamoi, in open letter to Secretary Knox and other "noted political leaders in U.S."

For the original paper from which reference is taken

See Tel #1054; 4pm
(Despatch, telegram, instruction, letter, etc.)

Dated Oct 25, 1940 From Japan (Grew)
To

File No. 711.94/1802

703.94/ 16287

16287

0606

DECLASSIFIED: E.O. 11652, 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 Settlement of Sino-Japanese hostilities: exertion of influence toward-, urged by Asatiro Miyamoi, Professor of Meiji University, Tokyo, in open letter to Secretary Knox and other "noted political leaders of U.S."

For the original paper from which reference is taken

See Tel #1052; 2pm
(Despatch, telegram, instruction, letter, etc.)

Dated Oct 28, 1940 From Japan (Grew)
To

File No. 711.94/1801

793.94 / 16283

16248

0607

DECLASSIFIED: E.O. 11652, 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 efforts to intensify even more their military
action in order speedily to conclude the China affair.
Reports- as result of Conference of Japanese Naval Attaches
in Washington.

mr

For the original paper from which reference is taken

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

Dated Oct. 5, 1940 From War Department
To

File No. 740.5011 European War, 1939/6534

U. S. GOVERNMENT PRINTING OFFICE 1-1540

793.94/16288 1/2

PS/MFM

0608

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

U2

TELEGRAM RECEIVED

JR

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

FROM Kunming via Chungking & N.R.

Dated October 29, 1940

Rec'd 9:38 a.m., November 1.

Secretary of State,
Washington.

"October 29, 7 p.m.

*11/2 substance to A
Comm. in. D
on 10/29
KCK*

RECEIVED
NOV 2 1940
Department of State

*793.94
Note
793.1541*

It is learned on what is believed to be reliable authority that the Mekong River bridge was on October 25 damaged by Japanese attack and that traffic over it is temporarily halted. Chinese claim repairs can be made but time element is uncertain.

Approximately 45 Japanese planes were reported over Yunnan today in (?) groups, mostly to the west and Kunming was under alarm the entire day but was not attacked.

Sent to Department, repeated to Peiping.

NOT SIGNED

HPD

793.94/16289

NOV 2 1940
FILED

F/FG

U - LIAISON OFFICE
NOV - 6 1940
DEPARTMENT OF STATE

0605

DECLASSIFIED: E.O. 11652, 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

BJS Yunnanfu via Chungking
 This telegram must be
 closely paraphrased be- FROM Dated November 1, 1940
 fore being communicated
 to anyone, (br.) Rec'd 7:35 a. m., 3rd.

Secretary of State,
 Washington

November 1, 7 p. m.

My October 29th,

To reach an understanding it is reported from a number
 of usually reliable sources that the present Mekong Bridge
 is definitely down and less reliable authority reports
 that the Salween Bridge was damaged on October 29th. It
 is stated that traffic is now held up with resumption hoped
 for within two weeks, which is probably optimistic. Please
 inform Tutuilla.

Local aviation circles report that the Central Aircraft
 Manufacturing Company at Loi Wing was bombed on October 26
 with some 60 dead and wounded. It is believed that no
 Americans were affected. Eight planes were destroyed as
 well as large section of workmen's homes. Assembly shop
 was also hit.

Sent to Department, repeated to Peiping.

UNSIGNED

NPL

U LIAISON OFFICE
 NOV - 7 1940
 DEPARTMENT OF STATE

793.94
 nls
 793.1541

11/4 Substance
 Communicated orally
 to DNI & MID
 JD

File
 Department of State
 D

793.94/16290

F/FG

0610

DECLASSIFIED: E.O. 11652, 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

Japan gladly welcome even Chiang regime if past errors
corrected cooperation East Asia assured.

CHUGAI editorial discussing completely China incident
settlement asserts -,

eh

For the original paper from which reference is taken

See Tel#1057
(Despatch, telegram, instruction, letter, etc.)

Dated October 26, 1940 From Japan (Grew)

File No. 711.94/1796

138.94/16291

1671

0611

DECLASSIFIED: E.O. 11652, 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

RDS

PLAIN

TOKYO VIA SHANGHAI & N.R.

Dated October 26, 1940

Rec'd 2:30 a.m., 27th

Secretary of State,
Washington.

1057, October 26th.

711.94
not
124.931
793.94

Today's KOKUMIN editorial entitled "Patience and Cowardice versus United States" calls American firm attitude versus Japan superb election gesture directed American people regret failure United States understand alliance aims perpetual world peace and welfare United States. Japan urged reexamine "for American" policy since American attitude exceeding bounds mere sentiment now become military challenge. Greater patience toward United States inviting humiliation called cowardice. Japan urged change "for America" to "against America".

MIYAKO columnist reports London broadcast October 23 announcing United States Government soon evacuate American Embassy, Tokyo. "Regardless truth this report American nervousness deluded fear following alliance actual facts contrasting United States naval program announcements Western Hemisphere invincibility". Unwarrantable attitude worry illusions no laughing matter but tragedy.

CHUGAI

1796

DECLASSIFIED: E.O. 11652, 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- #1057, October 26th, from Tokyo via Shanghai & N.R.

CHUGAI editorial discussing completely China incident
settlement asserts Japan gladly welcome even Chiang regime
if past errors corrected cooperation East Asia assured.
No mediation third powers tolerated.

Sent Department via Shanghai.

GREW

EMB

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

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT Conditions in Yunnan in connection with the
war: Comment on -; Yunnan is determined to
resist any Japanese attack.

For the original paper from which reference is taken

See #134
(Despatch, telegram, instruction, letter, etc.)

Dated Oct. 21, 1940 From } Kunming (Perkins)
To }

File No. 893.00 P. R. Yunnan/142

U. S. GOVERNMENT PRINTING OFFICE 1-1640

hr

793.94/16291 1/2

PS/MFM

0614

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

FE

TELEGRAM RECEIVED

MH

GRAY

Amoy

FROM Dated November 4, 1940

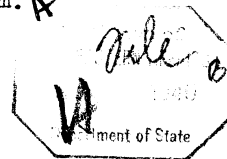
Rec'd 1:10 p.m. A

Secretary of State,

Washington.

November 4.

COPIES SENT TO
O.N.I. AND I.I.D.
11/4/40 KKK



The fact that Japan is replacing its Consul General here and thereby relinquishing the Senior Consulship and rumors to the effect that military stores are being removed from Amoy lend credence to the radio report from Hong Kong tonight that Japan has decided to withdraw its forces from South China.

Sent to the Department.

Repeated to Peiping, Chungking, Hong Kong, Canton and Swatow.

MERRILL

TFV

NOV 5 1940

FILED

793.94/16292

F/HG

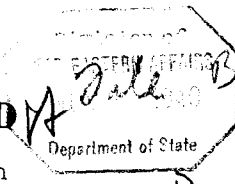
793.94

0615

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

351

TELEGRAM RECEIVED



EM

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

Rangoon

FROM Dated November 4, 1940

Rec'd 6 p.m.

11/5/40
 Substance communicated
 orally to ONI & MID
 JD

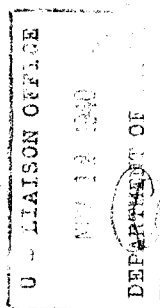
Secretary of State,
 Washington.

November 4, 7 p.m.

Since October 20 Burma road has been repeatedly bombed but traffic has not yet been interrupted for more than short periods. Two main bridges slightly damaged and one convoy of twelve trucks hit. Americans at aircraft factory at Loiwing, China, numbering about forty and including several women and children have erected temporary living quarters across frontier in Burma. There were no American casualties during attack on October 26. Factory has been shut down and steps taken for safety of equipment pending decision as to disposition. Reports indicate that Japanese flew over Burmese territory. First China National Aviation Corporation plane at Rangoon since machine gunning of pilot Kent and passengers landed yesterday and left today on return to China and Hong Kong. As evidence that there is no present intention to abandon service it is announced there will be an additional weekly flight to Burma.

793.04
 1-13
 843.154
 843.04

8450.79093



EMB

BRADY

793.04 / 16293

FILED
 NOV 13 1940

F/H G

0618

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

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT

A few Japanese naval planes were seen over Amoy
in the first part of September but bombs were
not dropped.

For the original paper from which reference is taken

See #170
(Despatch, telegram, instruction, letter, etc.)

Dated Oct. 3, 1940 From Amoy (Altaffer)
To

File No. 893.00 P.R. Amoy/156

U. S. GOVERNMENT PRINTING OFFICE 1-1640

hr

793.94/16293 1/2

PS/MFM

DECLASSIFIED: E.O. 11652, 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 Japanese aggression in China; Southward Advance program.

Economic pressure, by U.S., upon Japan viewed by informant as advisable, at this time. His endorsement of our "initial step" set forth, together with comments on favorable reception given prohibition upon shipments of certain materials to Japan; his hope that we will "see this thing through"; alleged Japanese-proposed possible courses in response to American attitude.

For the original paper from which reference is taken

See Tel #408; 1pm
 (Despatch, telegram, instruction, letter, etc.)

Dated Oct 29, 1940 From China (Smyth)
 To

File No. 894.24/1128

133.94 / 16294

16294

793.94

0618

DECLASSIFIED: E.O. 11652, 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 Expression of British views on the Far East.
Informs of -.

rr

For the original paper from which reference is taken

See #22
(Despatch, telegram, instruction, letter, etc.)

Dated Oct. 23, 1940 From Tsingtao (Meyer)
To

File No. 741.94/458

~~741.94/458~~ 733.94/16294 1/2
PS/MFI

DECLASSIFIED: E.O. 11652, 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

Specified withdrawals, from Indochina and certain Chinese areas, of Japanese planes; men; materials. Reports on-, mentioned by Chauvel, unable to place interpretation thereon; but, of opinion, that withdrawals are not due to pressure of Chinese military. "Cooling" of Russia toward Generalissimo Chiang Kai-shek government, with attendant difficulties of latter with the Communists' Eight Army, probably attributable to "closer relations" of Chiang with the American and British governments. Chiang, no longer, has any aviation. Foregoing "information" made available to writer by Chauvel in conversation today.

For the original paper from which reference is taken

See Tel #884; 3pm
(Despatch, telegram, instruction, letter, etc.)

Dated Nov 4, 1940 From France (Matthews, at Vichy)
 To

751g.94/239
 File No. _____

793.94 / 16295

0620

DECLASSIFIED: E.O. 11652, 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. 661. *N.C. 2/14/41 China*
 Chungking, October 9, 1940
 Subject: Casualties and Property Damages
Sustained in Japanese Air Raids
on Chungking from July 31 to
September 10, 1940, Inclusive.

Air mail

Handwritten: 793.94

RECEIVED
 DEPARTMENT OF STATE
 1940 DEC 11 PM 1 11

DIVISION OF
 COMMUNICATIONS
 AND RECORDS

Political Section
 Classified...
 Recorded...
 Carded...
 Indexed...

Handwritten: RB, A, 793.94, 14112

793.94/16295 1/5

PS/LB

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

Sir:

793.94 - 14112

Continuing my despatch no. 607, July 23, 1940,
 transmitting data regarding casualties and property
 damages resulting from Japanese aerial attacks carried
 out on Chungking from June 18 to July 18, 1940, in-
 clusive, I now have the honor to enclose similar data
 in the form of translations of two statistical tables
 supplied by the Chungking Air Raid Relief Commission
 in respect of the bombardments carried out by Japanese
 planes on Chungking on July 31, August 9, 11, 18, 19,
 20, 23, September 12, 13, 14, 15 and 16, 1940.

1-2/

There follows for convenient reference a recapitu-
 lation based on the tables thus far furnished the
 Embassy covering casualties resulting from aerial attacks

conducted

DECLASSIFIED: E.O. 11652, 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 -

conducted on Chungking up to and including September 16, 1940 of this year:

| Period
1940 | Killed | Seriously
wounded | Slightly
wounded | Total |
|------------------|-------------|----------------------|---------------------|-------------|
| May 23-June 12 | 865 | 884 | 937 | 2686 |
| June 16-July 16 | 937 | 1051 | 921 | 2909 |
| July 31-Sept. 16 | 823 | 762 | 852 | 1437 |
| | <u>2625</u> | <u>2697</u> | <u>2510</u> | <u>7832</u> |

With the gradual improvement in warning signals and expansion of sheltering capacity, it will be noted that there has been a gratifying decline in the number of casualties. The Embassy is of the opinion that the foregoing figures are substantially correct.

Respectfully yours,

Nelson Fraser Johnson

Enclosures:

1-2/ Translations of two statistical tables

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

711.3

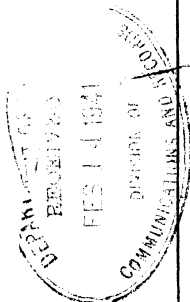
END:SC

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

| Summary of Information | | Summary of Information | | Summary of Information | |
|------------------------|--------|------------------------|--------|------------------------|--------|
| Number (for reference) | | Number (for reference) | | Number (for reference) | |
| Date | | Date | | Date | |
| 1971 | 10,000 | 1972 | 10,000 | 1973 | 10,000 |
| July 91 | 10,000 | July 92 | 10,000 | July 93 | 10,000 |
| Aug. 9 | 10,000 | Aug. 9 | 10,000 | Aug. 9 | 10,000 |
| 11 | 10,000 | 11 | 10,000 | 11 | 10,000 |
| 13 | 10,000 | 13 | 10,000 | 13 | 10,000 |
| 19 | 10,000 | 19 | 10,000 | 19 | 10,000 |
| 20 | 10,000 | 20 | 10,000 | 20 | 10,000 |
| 23 | 10,000 | 23 | 10,000 | 23 | 10,000 |
| 26 | 10,000 | 26 | 10,000 | 26 | 10,000 |
| 10 | 10,000 | 10 | 10,000 | 10 | 10,000 |
| 11 | 10,000 | 11 | 10,000 | 11 | 10,000 |
| 14 | 10,000 | 14 | 10,000 | 14 | 10,000 |
| 15 | 10,000 | 15 | 10,000 | 15 | 10,000 |
| 16 | 10,000 | 16 | 10,000 | 16 | 10,000 |

0624

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



RESTRICTED

Classification

Enclosures 1

Record Section File No. 18

Copy No. 6-6

For Record Section Only

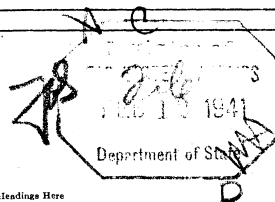
MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF
MILITARY ATTACHE REPORT CHINA

Subject Map of Chinese War Zones Country Reported On CHINA
 Brief Descriptive Title I.G. No. 1220

Source and Degree of Reliability:

Source: Assistant Military Attache, Chungking.
 Reliability: Good.

Summarization of Report
 When Required



In Comments on Current Events Enter Item Headings Here

1. There are enclosed herewith six copies of a war zone map prepared in this office to accompany Lieutenant Colonel Barrett's report on war zones dated October 1, 1940.

WILLIAM WATER
 Lieut-Colonel, Field Artillery
 Military Attache

Distribution:

6 MID
 1 R/S
 2 File

DECLASSIFIED
 E.O. 11652, Sec. 3(E) and 5(D) or (E)
 OSD letter, May 3, 1972
 By q, NARS Date 3/20/73

797.94/16295 2/5

FILED
 JUN 19 1941

G-2 Distribution: 4, _____
 Copy No. 1, R/S; 2, L/C; 3, Section File

5, _____

6, _____

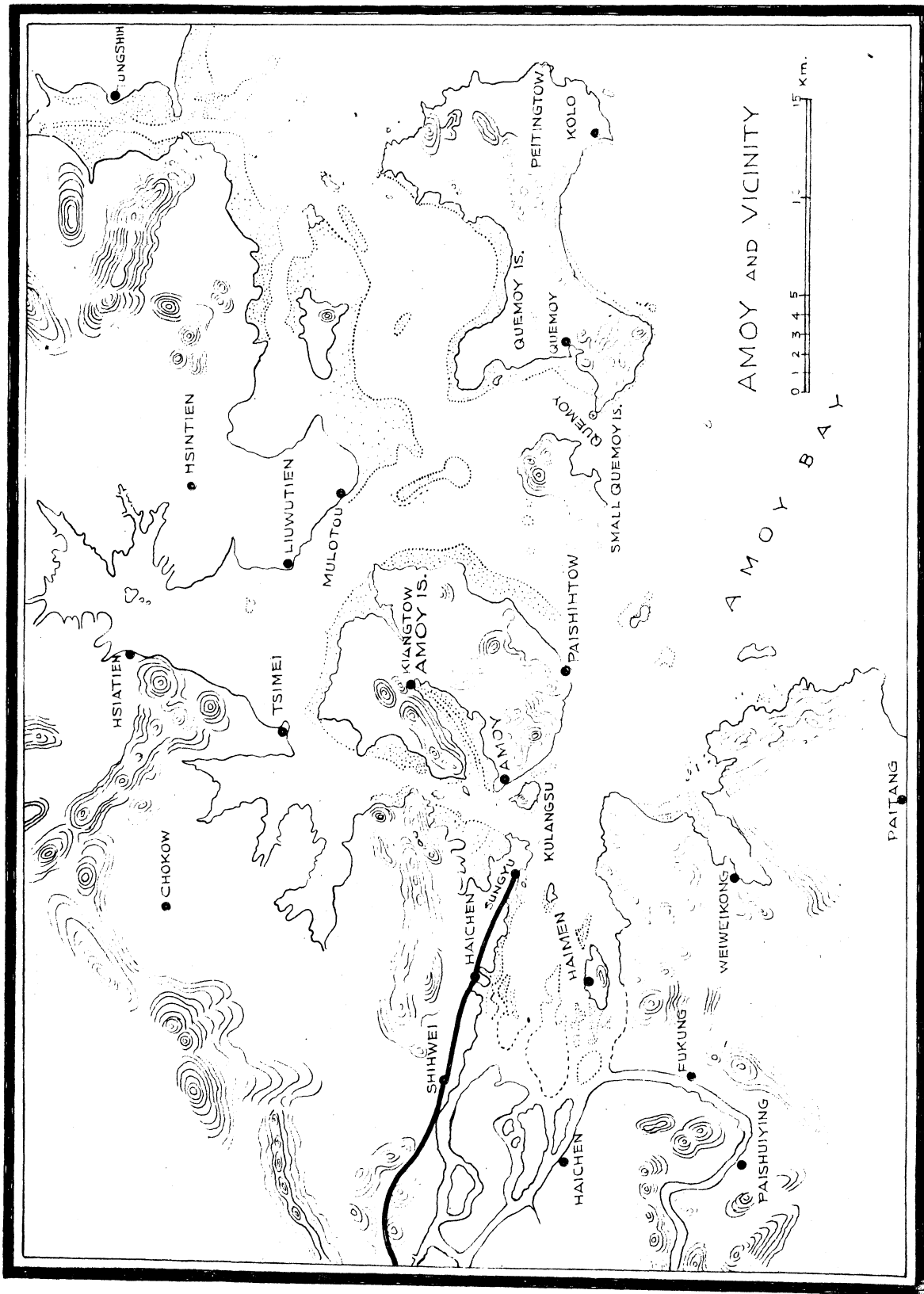
From M. A. Water Report No. 7743 Date November 27, 1940
 This line to appear on all succeeding pages

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Classification

0625

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

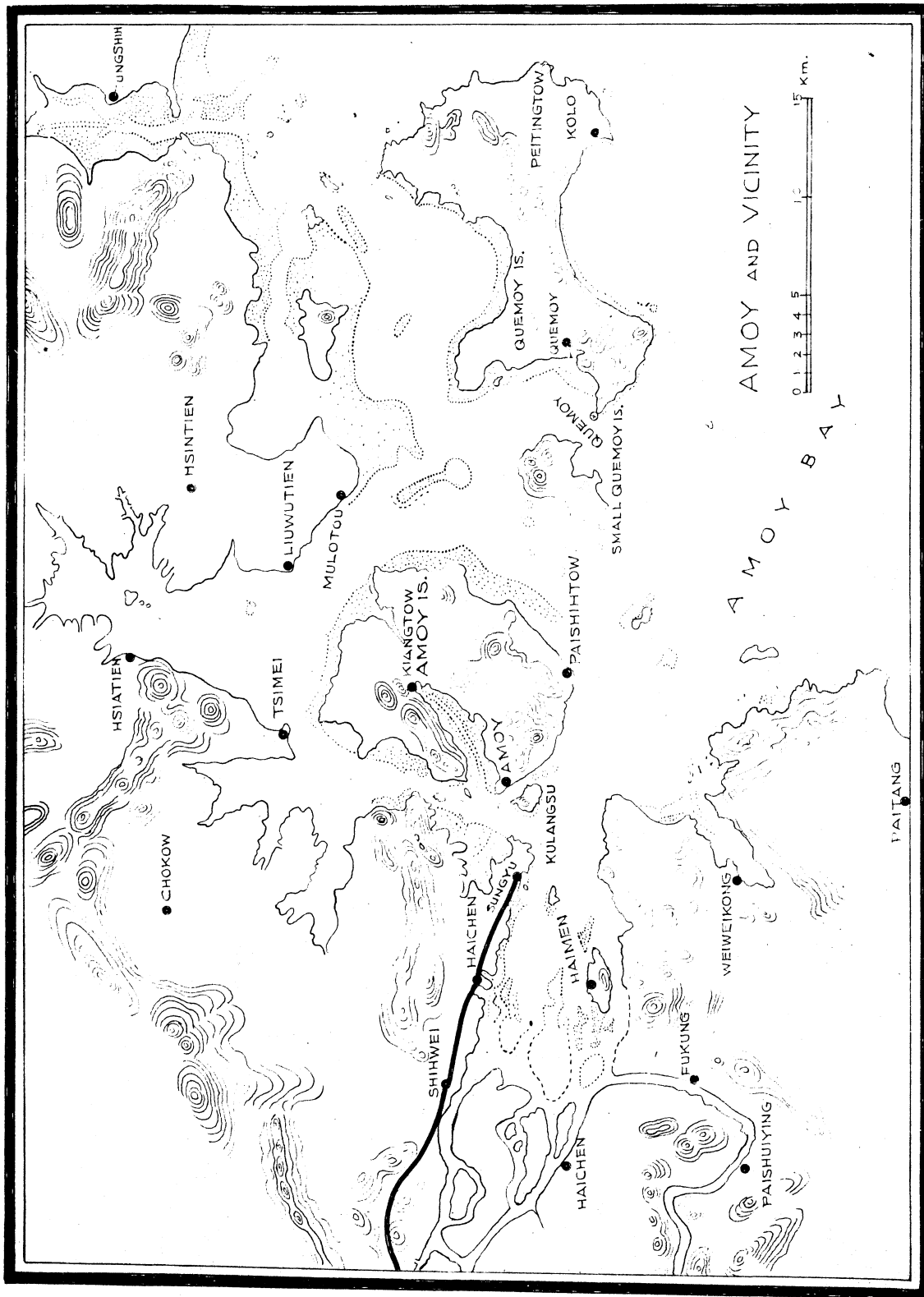


PREPARED IN THE OFFICE OF AMERICAN MILITARY ATTACHE, PEKING, CHINA

1939.

0626

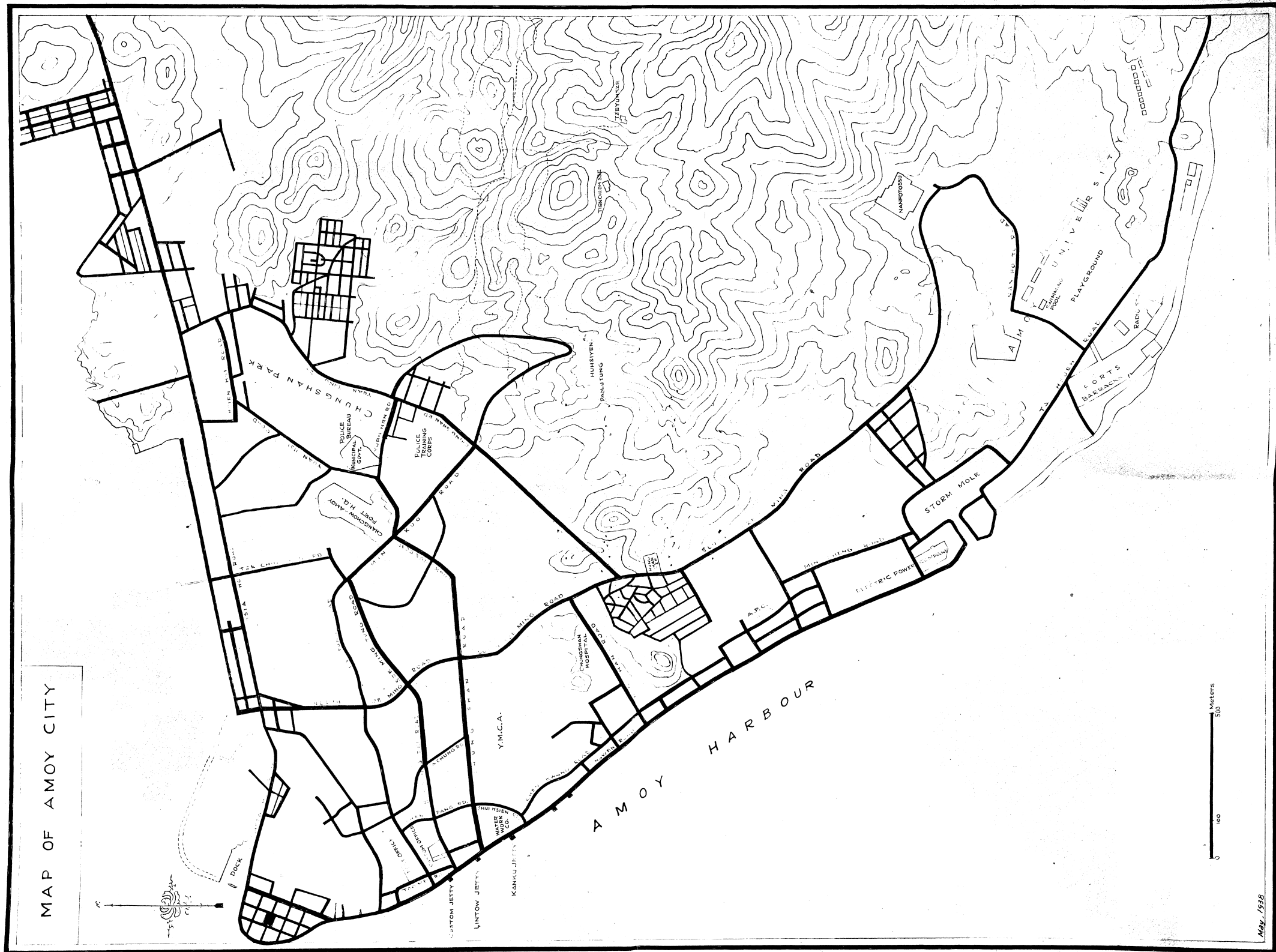
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75



PREPARED BY THE OFFICE OF AMERICAN MILITARY ATTACHE, PEKING, CHINA

AUG. 1939.

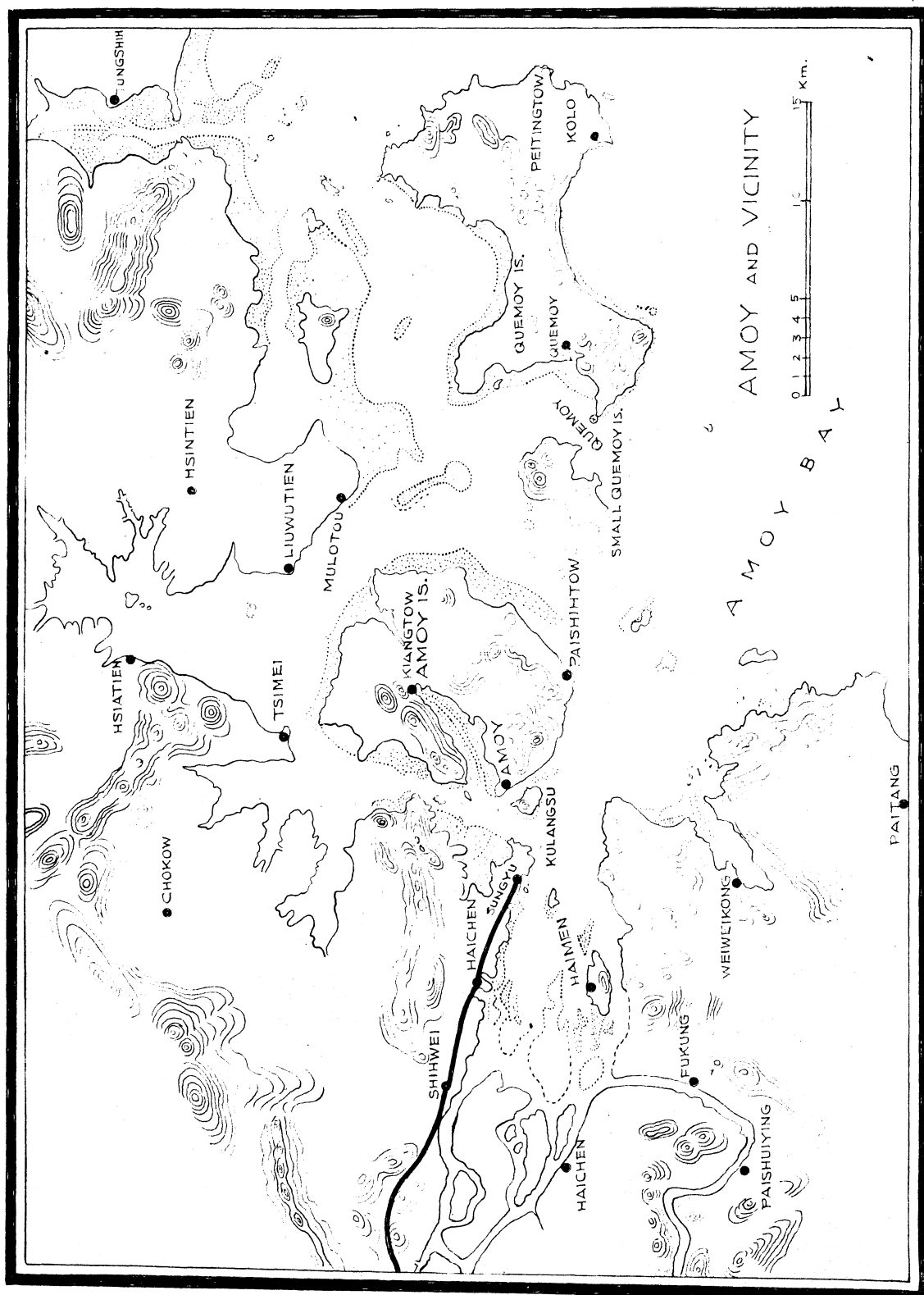
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Quigley NARS, Date 12-18-75



May, 1938

Prepared in the Office of American Military Attaché, Peking, China.

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



PREPARED IN THE OFFICE OF AMERICAN MILITARY ATTACHE, PEKING, CHINA

AUG. 1939.

0625

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

RESTRICTED

Classification

Enclosures

Record Section File No.

Copy No.

For Record Section Only

MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF
MILITARY ATTACHE REPORT

Country Reported On

Subject Map of Chinese War Zones

I.G. No. 1220

Source and Degree of Reliability:

Source: Assistant Military Attache, Chungking.
 Reliability: Good.

Summarization of Report

When Required

Department of State

In Comments on Current Events Enter Item Headings Here

1. There are enclosed herewith six copies of a war zone map prepared in this office to accompany Lieutenant Colonel Barrett's report on war zones dated October 1, 1940.

WILLIAM WATER
 Lieut-Colonel, Field Artillery
 Military Attache

Distribution:

6 MID
 1 M/L
 2 File

DECLASSIFIED

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

OSD letter, May 3, 1972

By af, NARS Date 3/20/73

FILED
 JUN 19 1941

G-2 Distribution: 4, _____
 Copy No. 1, R/S; 2, L/C; 3, Section File

5, _____

6, _____

From M. A. afReport No. 7748Date November 27, 1940

This line to appear on all succeeding pages

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Classification

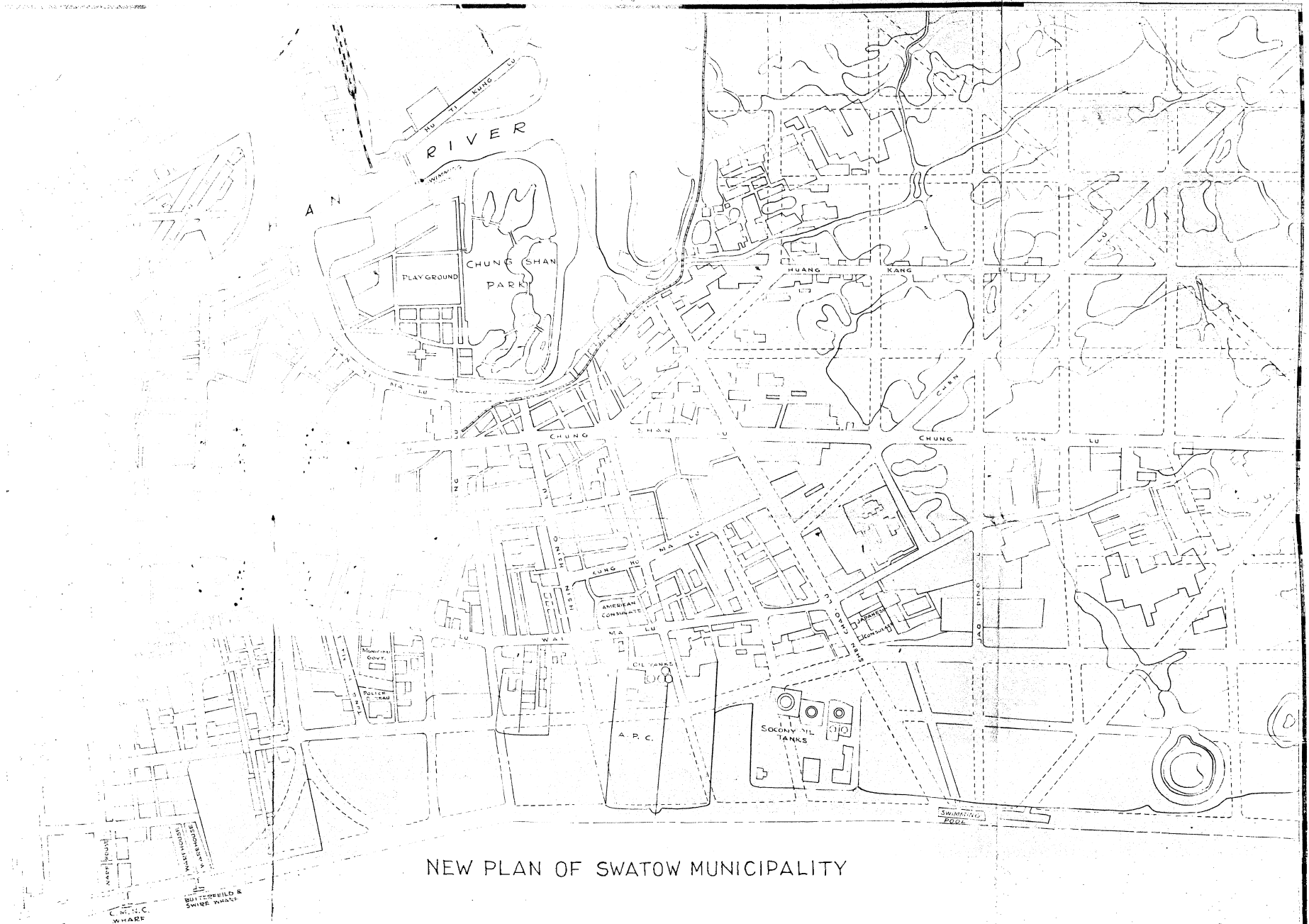
WAR DEPARTMENT
 OCS Form 17

U. S. GOVERNMENT PRINTING OFFICE 16-14547

Page 1

797.94/16295 2/5

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



NEW PLAN OF SWATOW MUNICIPALITY

0 500 1000 1500 FT.
 NORTH

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



NEW PLAN OF SWATOW MUNICIPALITY

100 0 500 1000 1500
 Scale 1:50,000

0632

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

RESTRICTED

Classification

3 Enclosures

10489-4-2171
Record Section File No.

Copy No. 6-6

For Record Section Only

MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF
MILITARY ATTACHE REPORT CHINA

Country Reported On

Subject Maps

Brief Descriptive Title

I.G. No. 1220

Source and Degree of Reliability:

Source: Naval Attache
 Reliability: good

Department of State

Summarization of Report

When Required

Maps of Amoy Island, Amoy city and Swatow municipality.

In Comments on Current Events Enter Item Headings Here

1. There are enclosed herewith copies made in this office of three maps, the originals of which were procured by the Naval Attache from Chinese and Japanese sources.

WILLIAM LAYMAN
 Lieut-Colonel, Field Artillery
 Military Attache

Distribution:

6 MID
 2 File

RECEIVED
 E.O. 11652, Sec. 3(E) and 5(D) or (E)
 OSD Order, May 2, 1972

By 8 NARS Date 3/20/73

FILED

JUN 19 1941

G-2 Distribution: 4, _____
 Copy No. 1, R/S; 2, L/C; 3, Section File

5, _____

6, _____

From M. A. _____

Report No. 9749Date November 27, 1940

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793.94/16295 E/5

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



0634

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

RESTRICTED

Classification

Enclosures

Record Section File No.

Copy No. 6-1

For Record Section Only

MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF
MILITARY ATTACHE REPORT

Country Reported On

Subject Maps showing locations of Japanese units in China and Manchukuo as of December, 1940
 Brief Descriptive Title

Source and Degree of Reliability:

Source: Study made in Military Attache's office, Peking
 Degree of reliability: Good

Summarization of Report

When Required

There are forwarded herewith two maps prepared in this office showing the distribution of Japanese troops. Information shown is compiled from reports from Chungking and British sources as well as from records in this office.

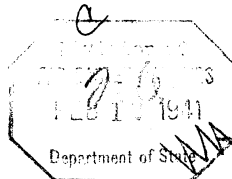
In Comments on Current Events Enter Item Headings Here

DECLASSIFIED
 E.O. 11652, Sec. 3(E) and 5(D) or (E)
 OSD letter, May 3, 1972
 By CS, NARS Date 3/20/73

WILLIAM LAYOR
 Lieut-Colonel, Field Artillery
 Military Attache

Distribution:

6 M/D
 1 M/A
 2 File



793.94/16295 4/5

G-2 Distribution: 4,
 Copy No. 1, R/S; 2, L/C; 3, Section File

5,

6,

From M. A.

This line to appear on all succeeding pages

Report No.

9961

Date

December 23, 1940

RESTRICTED

Classification

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

6-6 1941 OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
2023-673

941 OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.

2023-673

84

WAR DEPARTMENT
11/15/50

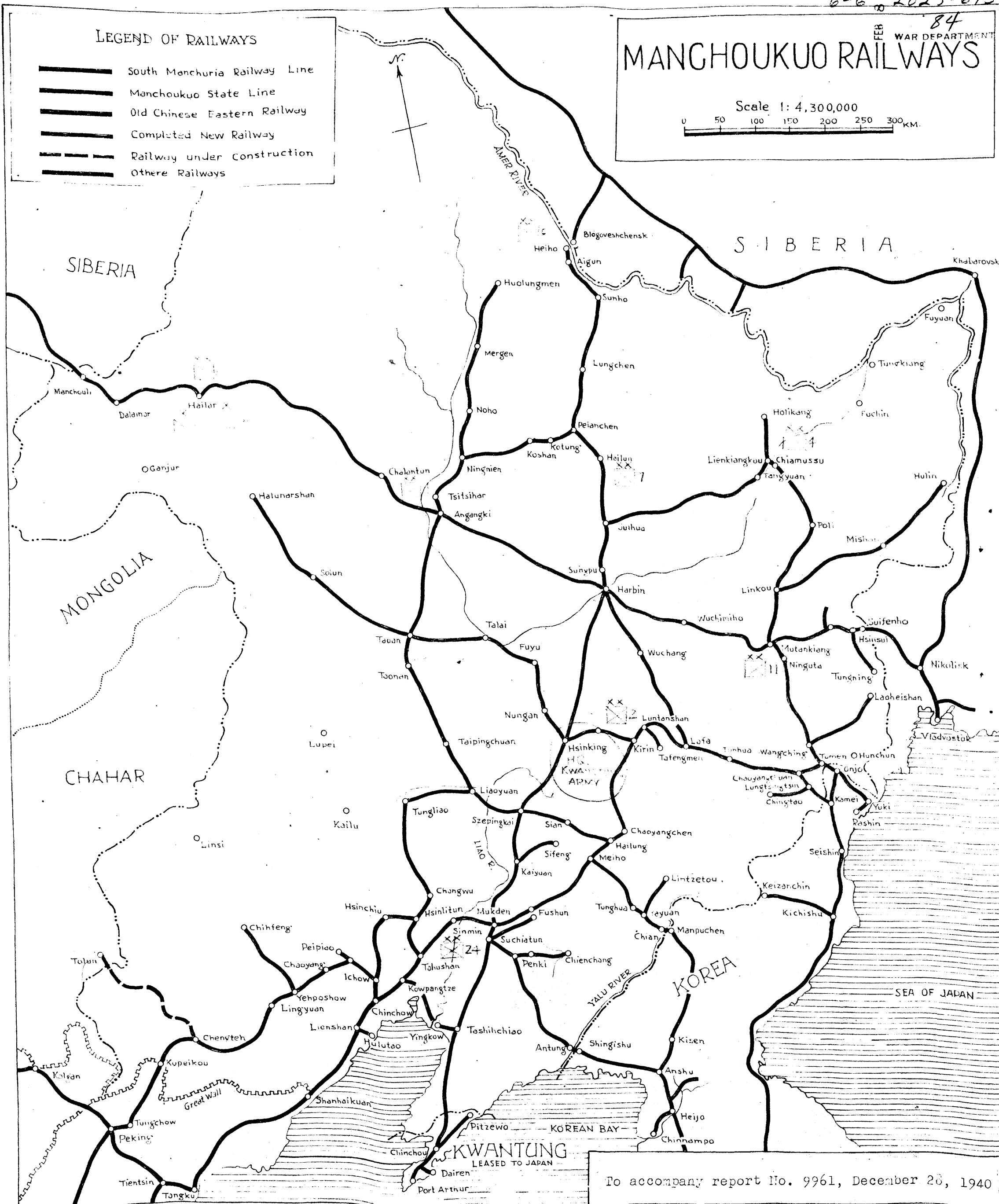
LEGEND OF RAILWAYS

- | | |
|-------|------------------------------|
| _____ | South Manchuria Railway Line |
| _____ | Manchoukuo State Line |
| _____ | Old Chinese Eastern Railway |
| _____ | Completed New Railway |
| _____ | Railway under construction |
| _____ | Other Railways |

MANCHOUKUO RAILWAYS

Scale 1: 4,300,000

A horizontal scale bar with markings at 0, 50, 100, 150, 200, 250, and 300 km.



To accompany report No. 9961, December 28, 1940

To accompany Report No.

PREPARED IN THE OFFICE OF AMERICAN MILITARY ATTACHE, PEKING, CHINA

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

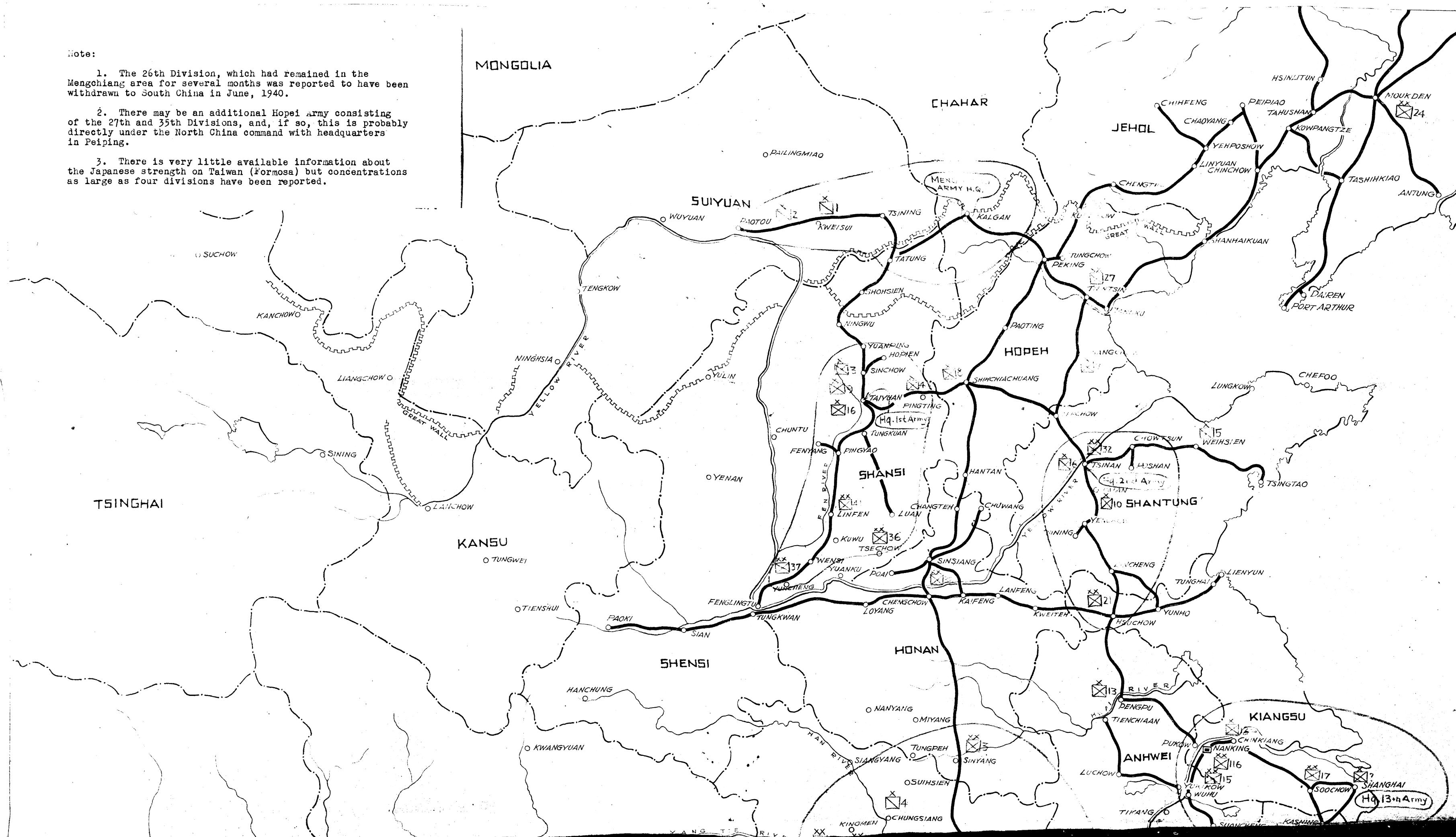
6-6 20237673
 FEB 1941
 OFFICE CHIEF OF STAFF
 MIL. INTEL. DIV.
 WAR DEPARTMENT

Note:

1. The 26th Division, which had remained in the Mengchiang area for several months was reported to have been withdrawn to South China in June, 1940.

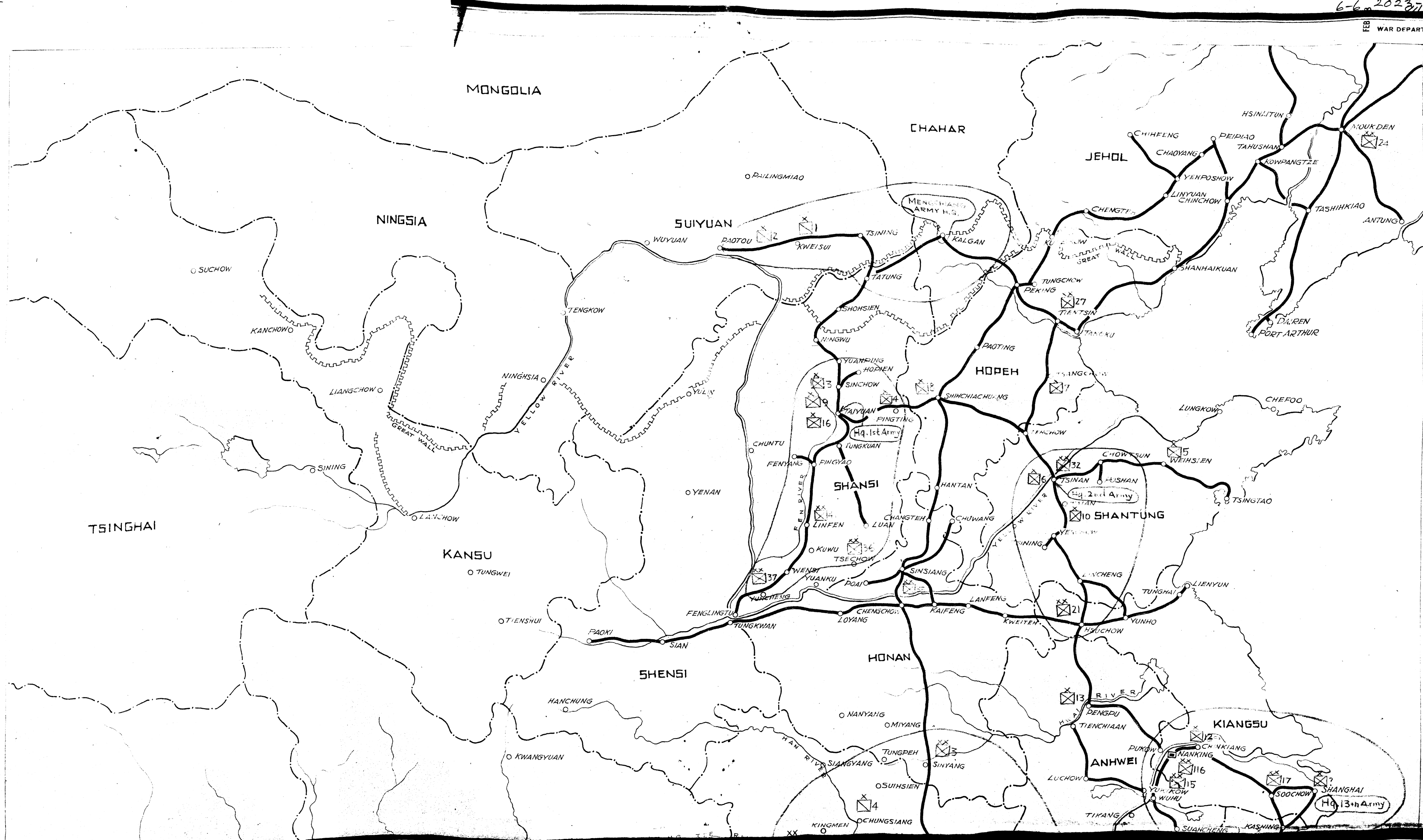
2. There may be an additional Hopei Army consisting of the 27th and 35th Divisions, and, if so, this is probably directly under the North China command with headquarters in Peiping.

3. There is very little available information about the Japanese strength on Taiwan (Formosa) but concentrations as large as four divisions have been reported.



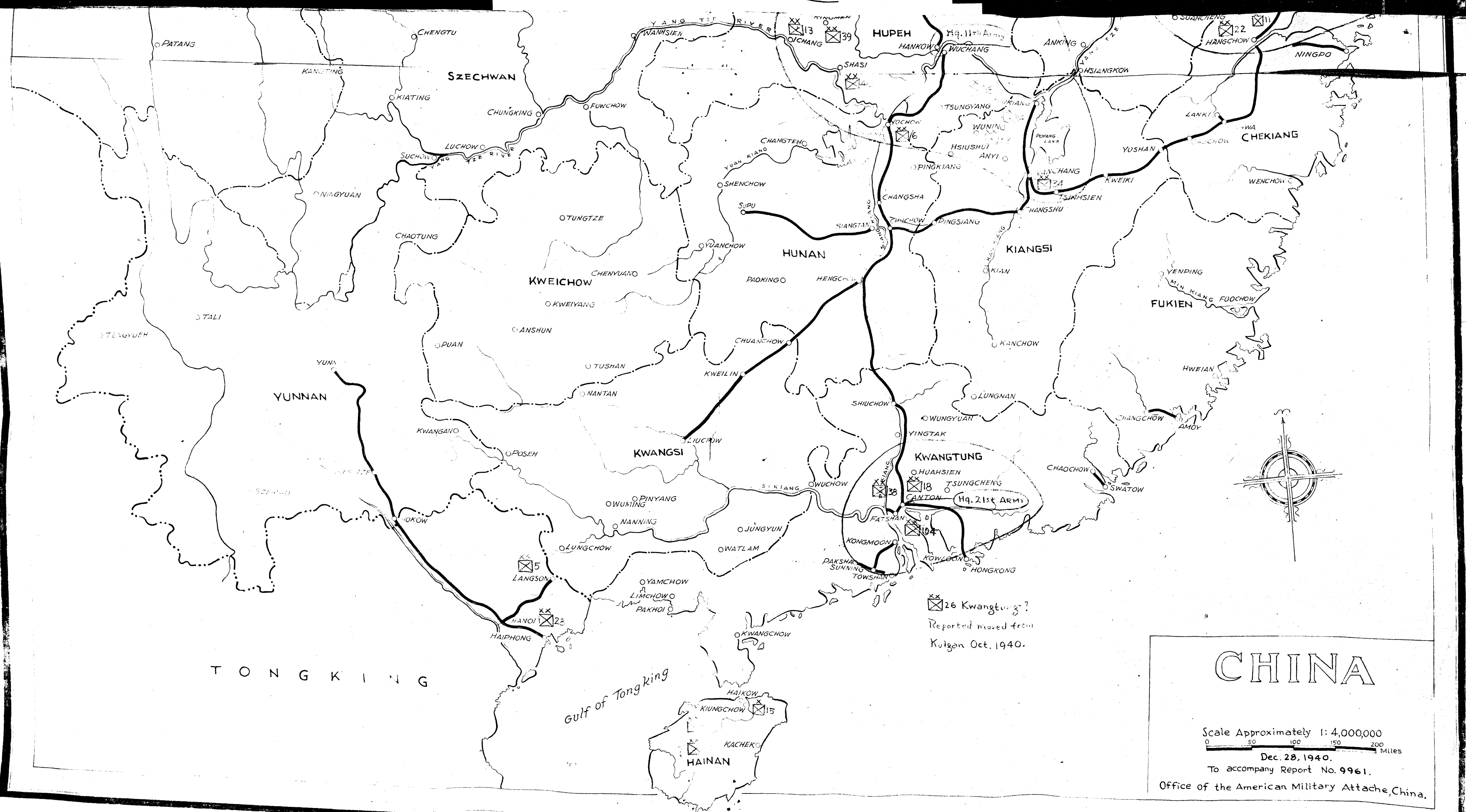
6-6-1941 OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
20237673

FEB WAR DEPARTMENT



0638

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



26 Kwangtung?
 Reported moved from
 Kalgan Oct. 1940.

CHINA

Scale Approximately 1:4,000,000

0 50 100 150 200 Miles

Dec. 28, 1940.

To accompany Report No. 9961.

Office of the American Military Attache, China.

0639

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

KE

TELEGRAM RECEIVED

FROM

JR

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

Chungking via N. R.

Dated November 6, 1940

Rec'd 9:30 a.m.

Secretary of State,

Washington.

November 6, 10 a.m.

Please report to the Department and to the Embassy
here and at Peiping any available information or evidence
suggesting the withdrawal of Japanese military forces
from your respective districts.

Sent to Canton, Swatow, Amoy, Hankow. Repeated to
the Department, Peiping, Hong Kong.

JOHNSON

RR

NOV 9 1940
FILED

700.24/10298

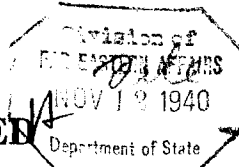
F/F G

793.94

0641

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

352



TELEGRAM RECEIVED

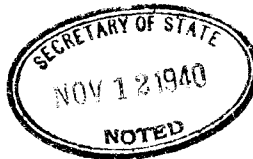
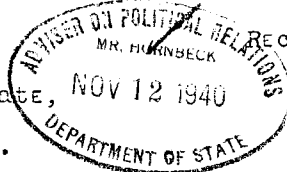
JR

This telegram must be _____
 closely paraphrased be- Chungking via N. R.
 fore being communicated
 to anyone. (A)

FROM Dated November 5, 1940

Rec'd 9:30 a.m.

Secretary of State, NOV 12 1940
 Washington.



559, November 5, 11 a.m.

CONFIDENTIAL FOR THE SECRETARY.

One. My British colleague came to see me yesterday afternoon stating that he came at the request of the Generalissimo to inform me of a conversation which he had had with the latter on the second instant. From the outline of that conversation it appears that Generalissimo amplified what he had said as reported in my 524, October 17, 7 p.m., by repeating what he had said to me about the effect of Communist campaign designed to discredit ability of his Government to defend China from Japan as reported in my 526, October 18, 9 p.m. British Ambassador said that Generalissimo stated he would ask me to come to see him again latter part of this week. I outlined to British Ambassador nature of reply which we have made to Generalissimo.

Two. Later the Vice Minister for Foreign Affairs, Hsumo, came to see me at the instance of the Generalissimo and stated that the latter had given serious thought to the reply

793.94

793.94/16297

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

353

-2- #559, November 5, 11 a.m., from Chungking.

reply which we had made and to remarks about parallelism between interests of China and the United States. He wondered whether I had given this any thought and particularly whether I had offered any suggestions to Washington as to nature of concerted action. I replied saying that I had not, that I knew that Washington was giving such matters consideration and that steps would be taken as events developed as stated by the Department in its message to the Generalissimo. The Vice Minister said that the Generalissimo had stated that he would be glad. END SECTION ONE)

JOHNSON

RR

0642

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

354

TELEGRAM RECEIVED

CORRECTED COPY

EH

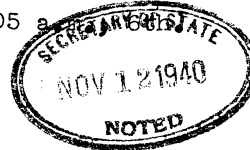
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (A)

FROM

Chungking via N. R.

Dated November 5, 1940

Rec'd 10:05 a



Secretary of State,
Washington.

559, November 5, 11 a.m. (SECTION TWO)

to discuss with me such suggestions and that he knew
that the Generalissimo would wish to see me later in the
week to give me some suggestions. I stated that while I
would at all times be glad to receive from the
Generalissimo any suggestions or thoughts that he
might desire transmitted I was in no sense empowered to
negotiate or carry on discussion and that I thought that
it would tend to confuse the situation if the Generalissimo
should not put his suggestions to Soong and the Chinese
Ambassador now in Washington and in touch with the
authorities there who were sympathetic and prepared to
discuss Vice Minister Hsu Mo was not accurately informed
of the fact that all airplane and most armament equipment
in the United States is made by private firms and purchased
by the United States Government on contract with such firms
and that planes supplied to the British are supplied under
contract

733.94/18237

610.710

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

355

EH -2- 559, November 5, 11 a.m. corrected copy (SECTION TWO)
 From Chungking.

contract and under license in just the same manner as planes have been supplied to the Chinese and, what is more important, delivered to the British not in French vessel but at the port of Itu whence the British carry them in their own ships to the British ports where they are needed. Doctor Hsu remarked that China did not have the money that Great Britain had to pay for the planes which she needs. I stated that that was a matter which would have to be threshed out in Washington between Soong and the authorities there.

Four. I made inquiry of Dr. Hsu Mo about Russian supplies saying that I had been surprised to learn that they had stopped. He stated as I anticipated, that no Russian planes had come. I gather that the Chinese had come to depend upon expected supply of Russian planes which they were receiving on credit as they could not get planes from the United States on credit and that it is either the exhaustion of Russian credit or refusal to supply further planes on credit by Russia that has left them in the present serious situation.

Five. It is my expectation that after the election I shall receive a request from the Generalissimo to call and shall gain further suggestions from him. (END MESSAGE)

Sent to the Department only.

GW

JOHNSON

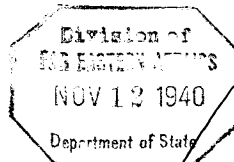
0644

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

256

See Corrected Copy

TELEGRAM RECEIVED



55
 This telegram must be
 closely paraphrased be-
 fore being communicated
 to anyone. (A)

FROM

Chungking via N. R.

Dated November 5, 1940

Rec'd 10:05 a.m., 6th.

Secretary of State,
 Washington.

559, November 5, 11 a.m. (SECTION TWO)

to discuss with me such suggestions and that he knew
 that the Generalissimo would wish to see me later in the
 week to give me some suggestions. I stated that while I
 would at all times be glad to receive from the
 Generalissimo any suggestions or thoughts that he
 might desire transmitted I was in no sense empowered to
 negotiate or carry on discussion and that I thought that
 it would tend to confuse the situation if the Generalissimo
 should not put his suggestions to Soong and the Chinese
 Ambassador now in Washington and in touch with the
 authorities there who were sympathetic and prepared to
 discuss Vice Minister Hsu Mo (?) (?) informed of the
 fact that all airplane and most armament equipment in the
 United States is made by private firms and (?) the United
 States Government on contract with such firms and that
 planes supplied to the British are supplied under contract
 and

F.W. 793.94/16297

064

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

See Corrected Copy

-2- #559, November 5, 11 a.m., from Chungking.

and under license (?) just the same (?) as planes (?)
Keller supplied to the Chinese (?), what is more
important, delivered to the British not in French
vessel but at the port of Itu (?) the British carry them
in their own ships to the British ports where they
(?) needed. Doctor Hsu remarked that China did not have
the money that Great Britain had to pay (?) planes
which she needs (?) I stated that (?) a matter (?) to be
threshed out in Washington between Soong and the
authorities there.

Four. I made inquiry of Dr. Hsu Mo about Russian
supplies saying that I had been surprised to learn that
they had stopped. He stated as I anticipated, that no
Russian planes had come. I gather that the Chinese had
come to depend upon expected supply of Russian (?) which
they were receiving on (?) as they could not get planes
from the joint intervention (?) credit and that it is
either the exhaustion of Russian credit or refusal to
supply further planes on credit by Russia that has left
them in the present serious situation.

Five. It is my expectation that after the election
I shall (?) a request from the Generalissimo to call
and shall gain further suggestions from him. (End Message).

Sent to the Department only.

JOHNSON

GW

NOTE: Garbled groups have been serviced.

0646

DECLASSIFIED: E.O. 11652, 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. Military activity was centered in southern Shantung during October, which brought no outstanding developments. Japanese military units with the assistance of airplanes participated in series of campaigns against communist troops under Hsu Hsiang-ch'ien.

fp

For the original paper from which reference is taken

See Des. #292
(Despatch, telegram, instruction, letter, etc.)

Dated Nov. 2, 1940 From Tsinan (Davis)
To

File No. 893.00 P. R. Tsinan/133

U. S. GOVERNMENT PRINTING OFFICE 1-1540

793.94 / 16297 1/2

PS/MFM

0647

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

MH

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

TELEGRAM RECEIVED

Hankow via N.R.
 Dated November 6, 1940

REC'd 8:45 p.m.

FROM

Secretary of State,
 Washington.

11/7/40
 Substantive communications
 orally to ONI 2 M/D
 ID

A

11/8/40

REK

File 0 B
 A

November 6, noon.

Reliable reports from Ichang deny persistent radio reports of burning of city and its evacuation by the Japanese. Situation there remains substantially unchanged. Japanese, however, are having much difficulty in maintaining communications with garrison there and at other points on (?) of occupied territory in (?) and admit that they are shortening lines by withdrawals toward Hankow.

793.94

Commander of local air base and approximately 100 planes formerly based on Hankow have left Hankow within the past few days. According to most reliable information available they have proceeded to Hainan where they will be based. A number of anti-aircraft guns formerly located about local field have been removed and construction work on field has suddenly ceased.

FILED
 NOV 8 1940

Local situation remains quiet.

Sent to Chungking. Repeated to Department, Peiping and Shanghai.

SPIKER

EMB

DEPARTMENT OF STATE
 NOV 12 1940

793.34/16293

F/16

0648

DECLASSIFIED: E.O. 11652, 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

The following is the substance of a telegram received from the American Consul General at Hankow on November 8, 1940:

Reliable information was reported to the effect that about ^{one} hundred military aircraft based at Hankow together with the commander of that particular base departed during the past few days for Hainan. Construction at the airfield has suddenly been terminated. Some of the anti-aircraft guns have been removed from the Hankow field.

Conditions at Ichang are reliably stated to be essentially unchanged despite recent reports of Japanese withdrawal and burning of that port. That they are shortening their lines by falling back towards Hankow is admitted by the Japanese. This is a result of the difficulties which they have experienced in maintaining communications with their Ichang garrison and other points.

JD
FE:JPD:FRE
11-8

ROR
FE

0649

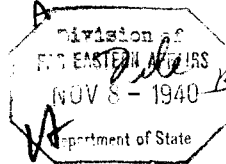
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Chute NARS, Date 12-18-75

*11/8
Substance communicated
 orally to ONI & MID
JD*

FL

TELEGRAM RECEIVED

FROM



U-L

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

Hong Kong via N.R.

Dated November 7, 1940

Rec'd 1:25 p.m.

Secretary of State,
Washington.

430, November 7, 2 p.m.

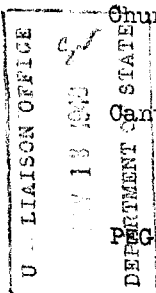
Reference your November 6, 10 a.m.

I have no information which I consider reliable
which would indicate that there is an active withdrawal
of Japanese military forces from the Hong Kong neighbor-
hood.

Reasonably reliable information indicates that
Japanese troops in the Kowloon frontier area recently have
been increased by two or three thousand for the probable
purpose of cutting the trade route from Mirs Bay inland
via Tamsui and Waichow. These troops may have come from
Chungshan in Macao area.

Sent to Chungking. Repeated to Department, Peiping
Canton and Swatow.

SOUTHARD



NOV 14 1940

FILED

793.74
797.94/16299

JI

0651

DECLASSIFIED: E.O. 11652, 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

Amoy via NR

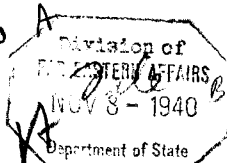
This telegram must be
closely paraphrased in November 7, 1940
fore being communicated
to anyone. (br.)

TELEGRAM RECEIVED

Rec'd 2:20 p. m.

Secretary of State,
Washington

FROM
substance communicated
orally to INI & MID
JD



41, November 7, 4 p. m.

Chungking's November 6, 10 a. m.

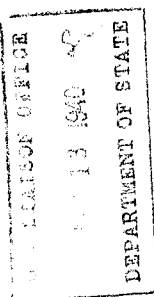
In addition to the evidence mentioned in my 40, November 4, 11 p. m. suggesting the withdrawal of Japanese forces from Amoy it is learned that Japanese merchants are beginning remitting large sums to Japan and Formosans have been buying all available yen. Such action might of course merely indicate fear of hostilities on the part of civilians and have no bearing on the withdrawal of armed forces.

Although Chinese employees of a foreign firm state they have actually observed the removal of arms and ammunitions from Amoy Island it is on the other hand obvious that the Japanese have just started the construction with impressed labor of an airdrome on a plateau near the center of Amoy Island and that stone is at the present time being landed in Amoy city for the construction of a Japanese shrine.

Sent to the Department, Chungking, and Peiping.
Repeat to Embassy at Canton, Swatow, Hankow, and Hong Kong.

MERRILL

NPL



703.94/16700

U

0651

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

JT

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

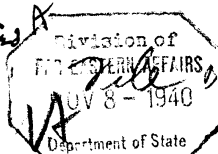
HANKOW VIA N.R.

TELEGRAM RECEIVED

Dated November 7, 1940

Rec'd 1:30 p.m.

4/8 FROM
Secretary of State, *Substance communicated orally to ONI & MID JD*
Washington.



73, November 7, 1 p.m.

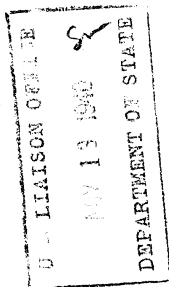
Reference Chungking's circular telegram of November 6,
10 a.m.

There is no available information or evidence suggesting
Japanese withdrawal from this district. However, as
reported in my November 6, noon, to Chungking, the Japanese
have stated that they are shortening perimeter of their
front lines in Hupeh Province. Several hundred marines
have left for down river in past few days, believedly for
Kiukiang. Troop movements to and from Hankow are fairly
well balanced and appear to be nothing more than normal
replacements or reinforcements to meet military needs of
various sectors. Withdrawal of planes and aviation
personnel reported in same telegram may be only temporary
weakening of air base here. Military are busy constructing
number of substantial barrack-like buildings on outskirts
of Hankow as well as new inner defense line of machine gun
posts. Large amounts of military stores continue to arrive
from down river.

Sent to the Department, Repeated to Chungking, Peiping,
and Shanghai.

SPIKER

GW



735.94/16301

JI

RECEIVED
NOV 4 1940

0652

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

TELEGRAM RECEIVED

COPIES IN PARAPHRASE
 SENT TO C.E.I. AND
 M.I.D. IN CONFIDENCE
 11/19/40 REX

RDS

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

FROM

CHUNGKING VIA N.R.

Dated November 7, 1940

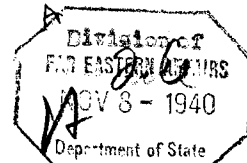
Rec'd 4:08 p.m.

Secretary of State,

Washington.

562, November 7, 10 a.m.

CONFIDENTIAL.



793.04/16302

One. In a conversation with the Chief of Staff of
 the Chinese Army on November 5 he informed me that accord-
 ing to his information the Japanese had during the past
 three months withdrawn ^{upwards of} 50,000 troops from the Central
 area. He said that he could
 China/not (repeat not) confirm reports prevalent in
 Chungking during the past several days to the effect
 that the Japanese were abandoning Ichang Huph, but he
 commented that fires had been observed in that section.
 He said that he thought a Japanese withdrawal from Ichang
 was not unlikely because it would enable the Japanese to
 retire and use elsewhere the two divisions they now main-
 tain west of the Han River to hold Ichang and insure their
 lines of communication. He thought it highly unlikely
 that the Japanese would withdraw from Hsinyang Honan or
 Yoyang Hunan as abandonment of these points would enable
 the Chinese to apply pressure to the Wu Han cities which
 he thought the Japanese would try to hold.

Last

FILED

NOV 20 1940

793 at

0651

DECLASSIFIED: E.O. 11652, 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- #562, November 7, 10 a.m., from Chungking via N.R.

Last August the Japanese had withdrawn some two and one half divisions of troops from south Kwangsi of which he thought at least one would be repatriated to Japan. He confirmed that the ~~principal~~ ^{Japanese have abandoned} ~~(?)~~ ^{island} ~~(?)~~ ^{Waichow peninsula} ~~(?)~~ ^{destroying} their bases ~~(?)~~ everything of value before leaving. He said that Japanese forces on Hainan are not large and that the Chinese still have over 10,000 troops on that island. He expressed doubt that the Japanese would withdraw from the South China ports.

Two. General Ho told me that the Japanese had withdrawn all planes from the airfield at Ichang Hupeh, that all the planes had been removed from Hankow leaving only a force of navy planes. He asserted that the Japanese Army now conducts bombing raids on the ~~(?)~~ ^{unoccupied} ~~(?)~~ ^{provinces from its base in Yangtze} ~~(?)~~ ^(?) ~~(?)~~ ^(?) ~~(?)~~ ^(?) Shansi.

Three. My informant in replying to an inquiry said he thought Japan now possessed a total of about 2,200 military aircraft. He asserted that of these a considerable number, especially those of the ~~(?)~~ ^{Italian Type} ~~(?)~~ ^{passing over} were obsolete. He declared, however, the Japanese are now manufacturing a light dive bomber which is an excellent plane.

Sent to the Department, repeated to Peiping.

NPL

JOHNSON

DECLASSIFIED: E.O. 11652, 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)

PARAPHRASE

The following is the substance of a telegram, no. 562 of November 7, 1940, 10 a.m., received from the American Embassy, Chungking:

The Japanese have removed from the airfield at Ichang, I was told on November 5 by General Ho Ying-Chin, all airplanes. He went on to say that army aircraft had been withdrawn from the Hankow base and that only navy planes remained there now. The Japanese army, he stated, now bases at Yungchang, Shensi, the aircraft detailed to bomb Free China.

According to information received by him, the Japanese have, during the past three months, transferred from Central China more than 50,000 men. Reports to the effect that the Japanese were abandoning Ichang had not been confirmed for him. Fires, however, had been noticed in the Ichang area. In his opinion, it is possible that the Japanese will withdraw from Ichang as the two divisions which are now holding the west bank of the Han and the Ichang sector could be used elsewhere. It was unlikely, in his opinion, that the Japanese would abandon Sinyang Honan or Yoyang Hunan because these two cities, if abandoned by the Japanese, would render Hankow

vulnerable

0655

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

CONFIDENTIAL

-2-

vulnerable to Chinese attack. General Ho believes that the Japanese intend to hold Hankow.

From southern Kwangsi, the Japanese last August transferred about two and one-half divisions. These troops, General Ho believes, were to be returned to Japan. The Japanese bases on the island of Waichow were abandoned after everything of value had been destroyed. On Hainan, the Chinese information is that the Japanese do not have large forces. There are over 10,000 Chinese troops still on the island, according to General Ho. There are over 10,000 Chinese troops still on the island, according to General Ho. He doubted that the South China ports would be abandoned by the Japanese.

In the opinion of the General, the Japanese now have approximately 2,200 military aircraft. A considerable number of these, especially Italian types, were obsolete, my informant declared. An excellent light dive bomber, however, now is being manufactured by the Japanese, I was told by General Ho.

793.94/16302

JD
FE:JD:FRE
11-18

67
FE

0656

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

CORRECTED COPY

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

Chungking via N.R.

Dated November 7, 1940

Rec'd 1:35 p.m.

DISTRIBUTION

S
 U
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 SA
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 SA W
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 FCHY
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 CSA
 FULL

Secretary of State,
 Washington.

563, November 7, 11 a.m.

My 559, November 5, 11 a.m. paragraph
 numbered 4.

In an informal conversation with General Ho Ying
 Chin on November 5 he informed me that a total of 80
 military planes had been acquired by China from Russia
 this year, that China still has unused Russian credits
 amounting to 30,000,000 dollars (presumably United States
 currency), that the Russians are willing to sell China
 the remains of type planes E-15 and E-16, that China does
 not (repeat not) desire to acquire more planes of the
 above-mentioned types for the reason that they are obso-
 late and "death traps", that Russia has not been (repeat
 been) willing to deliver to China new model planes for
 the alleged reason that the Soviet Union needs these new
 type planes for the members of its own air force, that
 Russia has given informal assurances to endeavor to supply
 China

793.94/16303

RECORD COPY

0657

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

AS-2- No. 563, Nov. 7, 11 a.m., from Chungking.

China with some new type airplanes about the end of the present year and that Russian volunteer pilots were all withdrawn several months ago because China no longer had planes to supply them with and because China has adequate air personnel of its own.

Sent to the Department only.

JOHNSON

TFV

793.94/16303

RECORD COPY

0658

DECLASSIFIED: E.O. 11652, 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 Japanese military activities in Far East.

Specified movements of military interpreted by Chauvel as preparatory to strengthening of Japanese position vis-a-vis, rather than due to Chinese pressure.

751g.94/16303 1/2

For the original paper from which reference is taken

See Tel #914; 11am
(Despatch, telegram, instruction, letter, etc.)

Dated Nov 8, 1940 From France (Matthews, at Vichy)
To

File No. 751g.94/241

0659

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

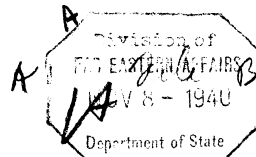
SUBSTANCE COMMUNICATED ORALLY
 TO ONI AND MID ^{JD} ^{11/8}
TELEGRAM RECEIVED

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

FROM Hanoi via N.R.
 Dated November 7, 1940
 Rec'd 9:10 p.m.

Secretary of State,
 Washington.

COPIES IN PARAPHRASE
 SENT TO C.H.I. AND
 M.I.D. IN CONFIDENCE
 11/12/40 RER



31, November 7, 3 p.m.

The Department's telegram No. 6, November 6, 4 p.m.

Reliable sources confirm almost a complete withdrawal
 of Japanese military from Kwangsi and reoccupation of that
 area by Chinese forces. Approximately 30,000 Japanese
 have entered Indo-China from Kwangsi since the hostilities
 in late September. Of these approximately 10,000 have
 already embarked at Haiphong reputedly for transfer to
 Hainan. The remainder are at Langson (except for about
 6,000 at Haiphong) and are said to be preparing for
 transit to Haiphong for embarkation. During the past
 week appreciable amounts of Japanese munitions and mili-
 tary supplies coming from Kwangsi have been shipped to
 Haiphong for shipment to Hainan. During the last ten
 days practically all the bombing planes have left Gialiam
 for an unknown destination, but it is believed to be
 Hainan or Waichow Island, leaving behind about 50 light
 bombers

793.94
 10/12
 894.23

753.04/16304

NOV 14 1940
 FILED

F/HG

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

TELEGRAM RECEIVED

MH -2- 31, November 7, 3 p.m. from Hanoi

FROM

bombers and pursuit planes. Despite this withdrawal from Tongking there is no reason to believe that the Japanese will abandon this part of Indochina, particularly as more or less permanent structures are now being erected at Gialiam. Of course it is possible that only sufficient planes and troops will remain to maintain the Japanese position in northern Indochina. There is much speculation naturally as to the reputed large concentration of military forces at Hainan, mention being made of an attack on the Netherlands Indies or Singapore -- in both cases it is generally believed that the Japanese would simultaneously occupy Camranh Bay and possibly establish a base in Thailand, the former to immobilize possible American action from the Philippine Islands. Although the French have now moved almost all their forces and arms and munitions to the south it is problematic whether Camranh could or would be defended especially if Thai forces were to move at the same time.

Sent to Cavite for repetition to the Department, Chungking, Peiping, Hong Kong, Shanghai, Canton.

REED

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

The following is the substance of a telegram no. 31 of November 7, 3 p.m. received from the American Consul, Hanoi.

Some 30,000 Japanese troops from Kwangsi have entered Indochina since the inception of fighting one and one-half months ago. This represents, according to reliable informants, an almost complete withdrawal from that province by the Japanese army. The area evacuated has been reoccupied by the Chinese.

Of the 30,000 above-mentioned, 10,000 have boarded ship at Haiphong for Hainan. The balance, excepting for approximately 6,000 at Haiphong, are at Langson. This force is understood to be making ready for transfer to Haiphong in preparation for moving elsewhere by sea. Notable quantities of Japanese military supplies and munitions have during the past week arrived from Kwangsi and have been forwarded to Hainan by way of Haiphong.

Only about fifty pursuit planes and light bombers remain, nearly all the bombers having during the past ten days departed from Gialiam for unknown destination believed to be Hainan or Waichow.

There

0662

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

-2-

There would seem to be no cause for believing that this part of Indochina will be abandoned by the Japanese, despite the movement of air craft away from Tongking. There are now being constructed at Gialiam structures of a more or less permanent nature. It is not unlikely, of course, that the Japanese will keep only enough troops and air craft to maintain their position in Tongking.

The rumored large concentration of Japanese military strength at Hainan is of course the subject of much speculation. A possible attack on Singapore or the East Indies is mentioned. In the event that the Japanese were to undertake such an offensive, it is generally accepted that they would simultaneously attempt to capture Camranh Bay and probably establish in Siam a base of operation. The occupation of Camranh Bay would be designed to immobilize any possible action by the United States based on the Philippines. I question whether the French could or would defend Camranh even though they have transferred almost all of their army and supplies southward. Their position in this respect would be doubly difficult were Siamese forces to move in conjunction with the Japanese.

JD
 EE:JD:OJL FE

11-9

066

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

COMMUNICATED ORALLY
ONE AND MID 11/12/40 JD
FROM

EH

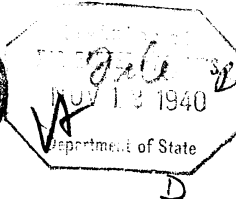
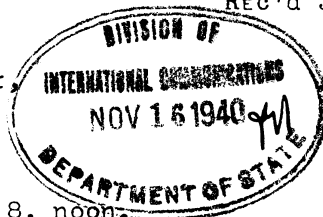
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (br)

Swatow

Dated November 8, 1940

Rec'd 3:10 a.m., 9th.

Secretary of State,
Washington.



28, November 8, noon.

Reference is made to Chungking's November 6, 10 a.m.

There is no positive evidence indicating that the
general withdrawal of Japanese troops from Swatow is con-
templated. The number of troops has been reduced but this
does not necessarily mean withdrawal and may have been due
to the exceptionally quiet military situation during the
last two months. Japanese motor launches have been heard
on the harbor at night but since such activities are carried
out after curfew definite information is unobtainable and
it can only be said that some believe supplies were being
removed.

Only yesterday it was divulged that Japanese ships with
the possible exception of one or two on the Swatow-Amoy run
would not call at Swatow for some weeks. This has been
officially but informally described as a decision caused by
the prevalence of cholera in Swatow since the middle of
October, although it is possible to interpret the action as

a move

U - LIAISON OFFICE
NOV 22 1940
DEPARTMENT OF STATE

7-10-41/10000

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

EH -2- 28, November 8, noon from Swatow.

a move by the military for reasons of their own to curtail
the flow of importations by Japanese firms here.

Sent to the Department. Repeated to Chungking,
Peiping, Hong Kong, Canton, Amoy, Hankow.

FORNES

PEG

066

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

257

TELEGRAM RECEIVED

MN
 This telegram must be closely
 paraphrased before being communi-
 cated to anyone. (A-1)

Chungking via N.R.

November 11, 1940

Rec'd 8:15 a.m.

Secretary of State
 Washington

571, November 11, 11 a.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

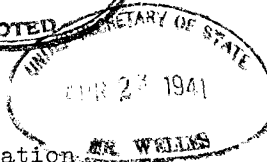
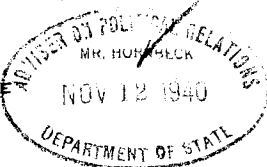
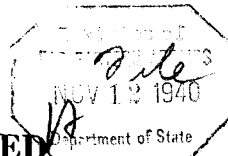
When the Generalissimo began the conversation

during which he offered the suggestion contained in my
 568, November 9, 5 p.m., he said that his proposal was
 the result of his consideration of the reply which you
 and the President had made to his original message
 communicated in the Department's 181, October 24, 5 p.m.
 He had particularly in mind the statement regarding our
 belief in cooperative effort in support of principles to
 which the United States is committed and it will be noticed
 that in working out his suggestions he has endeavored to
 frame them with that in mind. He believes and has
 all along said that the fight that China is waging is
 intimately linked with the United States and Great Britain.

He feels isolated and finds it hard to understand why
 China's part is not given more concrete recognition.

Germany has in the past been ready to mediate between
 China and Japan. Russia has aid to give but the

Generalissimo feels that Russia would be more willing to
 aid a Chinese Government dominated by the so-called Communistic
 elements



793.94/16306

AB

0666

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

358

MN -2- tel # 571, Nov. 11, 11 a.m. from Chungking

elements. He assumes that the United States and Great Britain will be thrown closer together during the present war in Europe and hopes that China will be included in such discussions as may take place. This is his own contribution to such discussions from the Chinese side.

Sent to the Department only.

JOHNSON

KLP

0667

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

TELEGRAM RECEIVED

COPIES IN PARAPHRASE
 SENT TO C.N.I. AND
 M.I.D. IN CONFIDENCE
 11/13/40 RSK

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

TOKYO
 Dated November 12, 1940

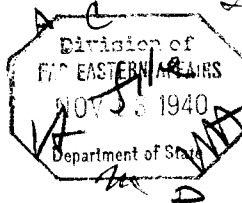
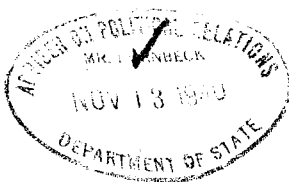
Rec'd 9:38 a.m.

Secretary of State

Washington

1133, November 12, 1 p.m.

CONFIDENTIAL.



Telegram to Tokyo, Peking and Shanghai

My French colleague told me today in strict confi-
 dence of a report that had reached him that the Japanese
 are preparing to withdraw from Hankow. I asked whether
 he interpreted this reported move as the first step in
 a general withdrawal from that area for the purpose of
 concluding peace with the National Government of China
 or as envisaging a concentration of troops elsewhere in
 anticipation of pushing the southward advance. The
 Ambassador said that he placed the latter interpretation
 on the reported move and he believed that the troop
 concentration was probably taking place in Hainan with
 a view to an eventual attack on Hong Kong. He said that
 the movement of Japanese troops through Indochina had
 involved not an attack on China as originally announced
 but a withdrawal from China and that some 20,000 Japanese
 troops had passed through Indochina and had embarked at
 Haiphong. He added that only 6000 Japanese troops had
 remained

733.94/16307

FF

0668

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

PAW -2- 1133, Nov. 12, 1 p.m. from Tokyo

remained in Indochina as originally stipulated.

I shall be glad to learn whether the foregoing report is accurate.

Sent to the Department. Repeated to Shanghai, Shanghai please air mail code text to Chungking.

GREW

TFV

0669

DECLASSIFIED: E.O. 11652, 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

(CONFIDENTIAL)

PARAPHRASE

The following is the substance of a confidential telegram no. 1133, November 12, 1 p.m. received from the American Embassy, Tokyo:

In strict confidence I was today informed by Arsene-Henry that he had received a report to the effect that Hankow is soon to be evacuated by the Japanese. To my question as to whether this action represented in his mind the massing of troops in preparation for further southward expansion or a withdrawal from Central China for the purpose of negotiating a peace with Chungking, the French Ambassador stated that he believed the former to be the correct interpretation. In his opinion, the Japanese were concentrating on Hainan in preparation for an ultimate attack on Hong Kong.

Contrary to first announcements, the passage through Indochina of Japanese troops had not led to an attack on free China but to a withdrawal of approximately 20,000 men from China, moving through Tongking for embarkation at Haiphong. As originally agreed, only 6,000 Japanese troops are now in Indochina. Comment is desired concerning the accuracy of the foregoing statements of the French Ambassador.

FE:JD:OJL

FE

11-13

0670

DECLASSIFIED: E.O. 11652, 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
X CONFIDENTIAL CODE X
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Collect ☐ Full rate
☐ Day letter
☐ Night letter

Department of State

Charge Department:

Washington,

November 13, 1940

Full rate
Day letter
Night letter

Charge to

\$

AMEMBASSY,

TOKYO (JAPAN).

470

16307

Your 1133, November 12, 1 p.m.

Peiping has been asked to repeat to you Hankow's
November 6, noon, to Chungking and 73, November 7, 1 p.m.,
to Department, also Hanoi's 31, November 7, 3 p.m. and
any subsequent telegrams which may bear on the situation.

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

Will
Acting
Staff

703.94/16307

PS/FF

FE:ROM:MHP

GA

FE

GA

PA/H

Enciphered by

Sent by operator M., 19

0671

DECLASSIFIED: E.O. 11652, 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
X CONFIDENTIAL CODE X
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Collect { Full rate
Day letter
Night letter

Department of State

Charge Department:

Full rate
Day letter
Night letter

Charge to
\$

Washington, *Old Tables*

November 13, 1940

7pm

AMEMBASSY,

PEIPING (CHINA).

200

Reference Tokyo's 1133, November 12, 1 p.m., which
Shanghai has been asked to repeat to you.

If you have not already done so please repeat to
Tokyo Hankow's November 6, noon, to Chungking and 73,
November 7, 1 p.m., to Department, also Hanoi's 31,
November 7, 3 p.m. and any subsequent telegrams which
may bear on the situation.

Will

acting

mm

FE:RCM:MHP

GA

FE

PA/H

Enciphered by _____

Sent by operator _____ M., _____, 19____

703.64/16307

PS/FF

0672

DECLASSIFIED: E.O. 11652, 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
X CONFIDENTIAL CODE X
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Collect { Full rate
Day letter
Night letter

Department of State

Charge Department:

Full rate
Day letter
Night letter

Washington,

November 13, 1940

Charge to
\$

Conrad
ALEXANDRIA,

SHANGHAI (CHINA).

This code was sent in a Confidential Code.
It should be carefully watched before
being communicated to anyone. *Br*

✓
562

16307

Please repeat to Peiping, Tokyo's 1133, November 12,

1 p.m.

Wells

Acting

Smith

703.04/10307

PS/FF

REU
FE:ROM:FRE

GA
FE

PA/H

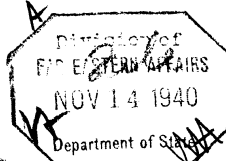
Enciphered by

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

0673

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

TELEGRAM RECEIVED



FROM *Nov 17*
Shantung
Peking
Gen

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

CHUNGKING VIA N.R.

Dated November 13, 1940

Rec'd 2:50 a.m.

Secretary of State,

Washington

November 13, noon. *16290*

My November 6, *10* a.m.

Please report weekly by radio to the Department and
to the Embassy here and at Peiping any available information
on the subject mentioned in my telegram under reference.

Sent to Canton, Swatow, Hongkong, Amoy, Hankow.

Repeated to Department and Peiping.

JOHNSON

RR

FILED
DEC 18 1940

793.94/16308

PS/MN

0674

DECLASSIFIED: E.O. 11652, 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

atp

GRAY

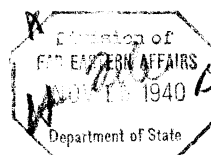
FROM TOKYO VIA SHANGHAI & N.R.

Dated November 14, 1940

Rec'd 11:25 a.m.

Secretary of State,
Washington

COPIES SENT TO
O.N.I. AND M.I.D.
11/15/40 RSK



1147, November 14, 2 p.m.

All newspapers this morning carry the following
announcement:

7924*
"The Chief Secretary of the Cabinet issued
a statement yesterday afternoon as follows: 'An
Imperial Conference was held this afternoon from 2 to
4:15 o'clock at the Imperial Palace. Prince
Fushimi, Chief of the Navy General Staff, the Chief
of the General Staff of the Army, President of the
Privy Council, the Ministers for Foreign, Finance,
War and Navy, Mr. Hoshino, President of the Planning
Board, and others attended. Following careful
consideration of questions related to the China incident
a complete agreement of views was reached'".

On November 6 the Chief Secretary of the Cabinet
announced that a two hour meeting of Major General Muto,
Chief of the Military Affairs Bureau of the War Office,
Rear Admiral Oka, Chief of the Naval Affairs Bureau of
the Navy

793.94/16309

ESRR

DECLASSIFIED: E.O. 11652, 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- #1147, November 14, 2 p.m. from Tokyo via Shanghai & N.R.
the Navy Office, Major General Suzuki, Chief of the Political
Division of the China Affairs Board and Mr. Tamita,
Chief Secretary of the Cabinet, had been held that day
for the purpose of deliberating on questions connected
with the China Incident. Following those deliberations
the Chief Secretary conferred with the Prime Minister.
Sent to the Department via Shanghai.

GREW

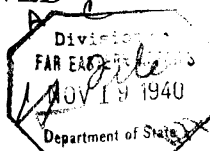
TFV

0676

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

FROM



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

Shanghai via N. R.

Dated November 14, 1940

Rec'd 11:20 a.m.

Telegram to Shanghai

Secretary of State,

Washington.

1252, November 14, 5 p.m.

Your 562, November 12, 1 p.m.

There is no communication between Shanghai and
Peiping by land wire or by cable. Do you wish Tokyo's
1133, November 12, 1 p.m., and other messages in confi-
dential codes despatched by radio?

LOCKHART

RR

Japanese withdrawal from Hankow.



793.54/15310

NOV 23 1940
FILED

Note
11.2

0677

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 19, 1940

~~SECRET~~
Reference Shanghai's 1252 November 14, 5 p.m. inquiring about the transmittal of confidential messages between Shanghai and Peiping, as there is no land wire between the two cities.

DOR confirms that it is possible to send a message by wire from Shanghai to Tokyo and thence to Peiping.

Brown, AL and strip cipher messages may be sent by radio, but not other confidential codes.

JD

AE: Davies: OJL

0678

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

PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
XCONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN
NAVAL RADIO

Collect { Full rate
Day letter
Night letter

Department of State

"Br"

Charge Department:

Full rate
Day letter
Night letter

Washington,

Charge to
\$

November 22, 1940
7 pm

AMERICAN CONSUL,

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

581 / 793.94 / 16310
Your 1252, November 14, 5 p.m.

This cable was sent in confidential code.
It should be carefully paraphrased before
being communicated to anyone. *125*

Messages in confidential codes, except in those
codes which have been specifically exempted from this
restriction, should not repeat not be sent by radio.

As the Department understands that cable communica-
tion exists between Shanghai and Peiping via Tokyo, it
is suggested that you ask Tokyo to repeat to Peiping
its 1133, November 12, 1 p.m.

Sent to Shanghai only.

Heller
Acting

RECEIVED
DEPARTMENT OF STATE

1940 NOV 22 PM 5 53

RECEIVED
CHICK LANE
TELETYPE

CR
NOV 22 1940

TD
FE:JD:OJL

WAI
GACC
FE
mmp

AAB.
DCR

04
PAH
SKH

Enciphered by _____

Sent by operator _____ M., _____, 19____

0679

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

359

TELEGRAM RECEIVED

COPIES IN PARAPHRASE
 SENT TO C.M.I. AND
 M.I.D. IN CONFIDENCE
 11/19/40 RFA

EH

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

Hanoi via N. R.

Dated November 14, 1940

Rec'd 9:10 p.m.

SUBSTANCE COMMUNICATED ORALLY
 TO C.M.I. AND M.I.D. 11/18/40 5D
 Secretary of State, MID
 Washington.

36, November 14, 6 p.m.

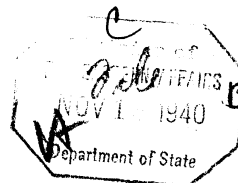
My telegram No. 31, November 7, 3 p.m.

This afternoon the Chief of Staff informed me that
 he estimated the total number of Japanese troops now in
 Tongking as about ^{14,000} (2) and that the evacuation of Japanese
 towards Hainan had been retarded by a shortage of transports.
 He expected the greater part of the above number to be gone
 from Tongking (except garrisons at Haiphong and Gialiam)
 by the end of November. The Indo-China authorities were at
 a loss to understand this movement and the evacuation of
 South China unless some move toward the south was contem-
 plated. He discounted the persistant rumor that this
 movement of Japanese forces would begin alleged peace
 negotiations between China and Japan and was more inclined
 to believe that the undoubted heavy concentration at Hainan
 were in anticipation of German-Russian conversations paving
 the way to a Japanese-Russian understanding that would give
 Japan a freer hand in the Far East.

Sent to Cavite for repetition to the Department,

Chungking, Peiping, Hong Kong, Shanghai, Canton.
 Repetition requested on
 above garbled groups.
 EMB

REED



702.64/10511

PS/FE

FILED
 NOV 18 1940

DECLASSIFIED: E.O. 11652, 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)

260

CONFIDENTIAL

PARAPHRASE

The following is the substance of a confidential telegram dated November 14, 1940, from the American Consul at Hanoi:

I was informed this afternoon by the Chief of Staff that 14,000 Japanese troops are now estimated to be in northern Indochina. He went on to say that the movement of Japanese forces in the direction of Hainan had been delayed by an inadequate number of transports. He anticipated that excepting for garrisons at Haiphong and Quilam, most of these 14,000 will have left Indochina before the beginning of December.

This movement and the withdrawal of Japanese forces from south China puzzled the French authorities in Indochina who were able to explain the development only as an indication that the Japanese intended to advance southward. The Chief of Staff was not of the opinion that the transfer of these troops would be the signal for Sino-Japanese peace negotiations. He is inclined to be of the opinion that the unquestionably large Japanese forces gathering at Hainan were in preparation for a Japanese-Russian agreement growing out of German-Russian discussions which would permit Japan to proceed in the Far East as she pleases.

793.94/16311

FE:JD:FRE

FE

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

TELEGRAM RECEIVED

EH

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

FROM

Amoy via N. R.

Dated November 15, 1940

Rec'd 4:40 p.m.

Secretary of State,
 Washington.

44, November 15, 4 p.m. 16308

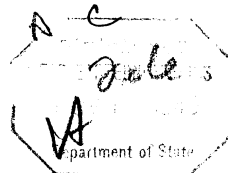
Chungking's November 13, noon.

No further information suggesting the withdrawal of forces from Amoy available.

Sent to the Department, Chungking, and Peiping.
 Repeated to Canton, Swatow, Hong Kong, and Hankow.

MERRELL

NPL



753.94/16312

PS/JI

NOV 20 1940

0682

DECLASSIFIED: E.O. 11652, 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

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

FROM

Hong Kong via N. R.

Dated November 15, 1940

Rec'd 5 p.m.

SUBSTANCE COMMUNICATED ORALLY

11/18/40 JD

Secretary of State,

Washington.

437, November 15, 2 p.m.

Reference Chungking's November 13, noon.

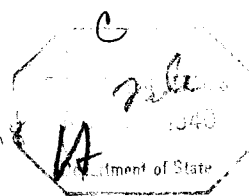
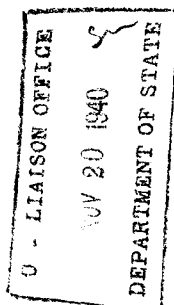
During the past week I have obtained no information
 which I consider reliable which would indicate that there
 is an active withdrawal of Japanese forces from the Hong
 Kong neighborhood.

There are frequent rumors, mainly from Chinese sources,
 as to Japanese withdrawals and concentrations but endeavor
 to confirm such rumors has so far indicated that their
 origin is vague and unreliable.

We are inclined to believe, mainly because the rumors
 are more or less consistent as well as persistent and ori-
 ginate usually from travelers, that there is a Japanese
 concentration of three or more divisions on Hainan island.
 Sent to the Department. Repeated to Chungking, Peiping
 and Canton.

SOUTHARD

EMB



793.94/15312

23/30

068

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

TELEGRAM RECEIVED

EH

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

Canton via N. R.

FROM

Dated November 15, 1940

Rec'd 9:10 p.m.

Secretary of State,

Washington.

100, November 15, 7 p.m.

Reference Chungking's November 13, noon (?) voluntary
 withdrawal of Japanese forces from Yamchow on southwestern
 coast of Kwantung made by headquarters of South China
 Expeditionary Force on November 14 states categorically
 that occupation of Yamchow, supply base for Nanning, no
 longer necessary following evacuation of latter place.

Local newspaper reports hint that troops withdrawn
 from Kwangsi and Kwantung will be used in new campaign in
 undisclosed area indicating, it is thought, a movement
 into southern Indochina. It is believed that Japanese
 forces at Haiphong and on Waichow and Hainan islands are
 in position to blockade effectively the southwestern coast
 of Kwantung. There are no indications here that a general
 (*) this area is contemplated.

Sent to the Department. Repeated to Chungking, Beijing.

MYERS

(*) Apparent omission
 Repetition requested on above garbled groups.
 EMB

U - LIAISON OFFICE
 NOV 20 1940
 DEPARTMENT OF STATE

11/15/40 JD
 16306
 Department of State
 1940

708.64/16714

20/100

NOV 22 1940
 FILED

0684

DECLASSIFIED: E.O. 11652, 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

JT

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

CANTON VIA N.R.

Dated November 15, 1940

Rec'd 9:10 p.m.

TO CHAIRMAN AND 11/15/40 JD
Secretary of State,
Washington.

100, November 15, 7 p.m.

Reference Chungking's November 13, noon.

Announcement of voluntary withdrawal of Japanese
of Japanese forces from Yamchow on southwestern coast of
Kwantung made by headquarters of South China Expedition-
ary Force on November 14 states categorically that
occupation of Yamchow, supply base for Nanning, no longer
necessary following evacuation of latter place.

Local newspaper reports hint that troops withdrawn
from Kwangsi and Kwangtung will be used in new campaign in
undisclosed area indicating, it is thought, a movement
into southern Indochina. It is believed that Japanese
forces at Haiphong and on Waichow and Hainan Islands
are in position to blockade effectively the southwestern
coast of Kwantung. There are no indications here that a
general withdrawal of Japanese forces from this area is
contemplated.

Sent to the Department. Repeated to Chungking,
Peiping.

MYERS

TFV

U. S. LIAISON OFFICE
NOV 22 1940
DEPARTMENT OF STATE

F. H. 797.94/13214

RECORDED
NOV 26 1940

068

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

✓
 ✓

TELEGRAM RECEIVED

McC
 This message must be via Chungking
 closely paraphrased be- Dated November 16, 1940
 fore being communicated
 to anyone. (Br.) FROM Rec'd. 8:40 a.m.,
 November 17, 1940

TO ONE AND MID CRABBY
 Secretary of State, 11/18/40 3D

7:06
 11/18/40
 Department of State

Washington.

November 16, 10 a.m.

Attacks were resumed on Kunming yesterday when six
 Japanese dive bombers dropped several heavy bombs on the
 airfield, damaging one hanger. Two pursuit craft machine
 gunned city and environs extensively with reportedly some
 injury to civilians. There was again a brief warning
 only.

793.94

Press reports Mengtsze attacked by two bombers
 on November 14, attacks apparently are directed at tin
 railway. Seven pursuit planes entered the province on
 November 13, some flying over this city and others
 going west but no attacks reported.

Sent to the Department. Repeated to Peiping.

PERKINS

RR

793.94/16315

PS/01

U - LIAISON OFFICE
 120 1940
 DEPARTMENT OF STATE

NOV 22 1940
 FILED

0686

DECLASSIFIED: E.O. 11652, 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

EH

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

Swatow via N. R.

Dated November 16, 1940

Rec'd 1:14 p.m., 17th.

Secretary of State,

Washington.

29, November 16.

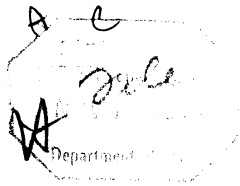
Chungking's November 13, noon.

There is nothing further to indicate Japanese withdrawal
from Swatow.

Sent to the Department. Repeated to Chungking, Peiping,
Hong Kong, Canton, Amoy, Hankow.

FORNES

TFV



793.94
793.04/16316

NOV 20 1940
FILED

793.04/16316

0687

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

TELEGRAM RECEIVED

EH

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

FROM

Hankow via N. R.

Dated November 16, 1940

Rec'd 8 a.m., 17th.

Secretary of State,

Washington.

78, November 16, 11 a.m.

Reference Chungking's November 13, noon and my 73,
November 7, 1 p.m.

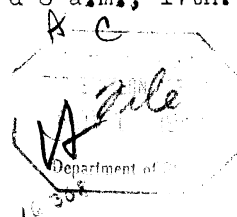
No new developments during this week.

Sent to the Department. Repeated to Chungking, Paiping,
Shanghai, Canton, Hong Kong, Amoy and Swatow.

SPIKER

TFV

Japanese withdrawals.



79-79

702.64/16717

PS/SC

NOV 20 1940
FILED

0688

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

TELEGRAM RECEIVED

McC

Tokyo via Shanghai

FROM

Dated November 15, 1940

Rec'd. 4:52 p.m., 17th.

Secretary of State,
 Washington.

COPIES SENT TO
 ONE AND M.L.D.
 11/18/40 R&K

A C
 S. NA
 Department of State

1153, 15th, 7 p.m.

Following summarized translation today's NICHI
 NICHI editorial: "Basic principles settlement China
 Incident already decided Konoye statement. Frame work
 realization those principles decided by high national
 policy support Wang Ching-wei. Conclusion tripartite
 alliance gives rise no (repeat no) reason change Japan's
 policy but actually must facilitate advance Japan's
 immutable policies. Conflicting groundless rumors may re-
 duce national strength and adversely affect development
 strengthening Wang regime. Such rumors must not be
 started unified support must be given fixed national
 policy. Anti-Japanese sentiment Chiang regime becoming
 stronger continuing reliance United States, England.
 Present conditions offer best opportunity destroy Chiang
 regime and therefore measures urgently needed. One measure
 is strengthening expanding Wang regime. Wang seeks peace

promotion

NOV 21 1940
 FILED

79394

79394

0685

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

McC

Tel.#1153, November 15, 7 p.m., from Tokyo via Shanghai

promotion Asia can succeed only through total war Wang regime against Chiang. This movement must be fostered supported. Strength Wang regime lies actually Japan's support only, but that support source future strength Wang. Treaty stipulating fundamental relations Japan-China already concluded Wang. Signature treaty recognition Wang regime Japan's fixed course. The earlier Wang recognized the sooner conditions will become clarified incident settled".

Sent Department via Shanghai.

GREW

TFV

0691

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

361

TELEGRAM RECEIVED

AS

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

Tokyo

Dated November 16, 1940

Rec'd 7:50 a.m.

Secretary of State,

Washington.

1159, November 16, 3 p.m.

Embassy's 1147, November 14, 3 p.m.

There are current in Tokyo many rumors concern-
 ing possible subjects discussed and decisions reached
 at the recent Imperial Conference, including such
 possibilities as (One) a decision to undertake further
 aggressive action toward "areas to the southward" in-
 cluding some or all of the following places: Hong Kong,
 Singapore, Netherland Indies, Southern French Indochina
 and (Two) policies involving Russo-Japanese relations.
 I see no reason however to doubt the creditability of
 the statements released that the conference dealt with
 "questions related to the China incident". It is being
 suggested in some quarters that revision of the gen-
 eral policy laid down by the Konoye statement of Decem-
 ber 22, 1938 [Embassy's despatch 3535, December 23,
 1938] was considered in order to obtain the sanction

of

U - LIAISON OFFICE
 NOV 23 1940
 DEPARTMENT OF STATE

707.04/1021
 693.551/464
 6 DEC 6 1940
 FILED

0691

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

362

AS-2- No.1159, November 16, 3 p.m., from Tokyo.

of an Imperial Conference to a change in fundamental policy enabling the Japanese Government "to deal" with Chiang Kai Shek and the present leaders of the Chinese National Government. The possibility that Japan may have altered its policy to allow negotiations with the Chinese National Government is not to be overlooked particularly in the light of statement to me that he hopes to conduct negotiations with Chiang Kai Shek (Embassy's telegram 1131, November 11, 10 p.m.).

(END SECTION ONE).

GREW

CSB

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

TELEGRAM RECEIVED

363

ATP

FROM TOKYO

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

Dated November 16, 1940

Rec'd 8:07 a.m.

Secretary of State,

Washington

1159, November 16, 3 p.m. (SECTION TWO)

Reports from Chungking would indicate that no overtures
 have yet been made, and this angle could probably be best
 reported from Chungking but I shall continue to endeavor to
 gather any pertinent information. There is a rumor which can
 not be confirmed that there are two Chungking
 representatives in Tokyo at the present time.

It has also been suggested that the imperial
 conference was called for the purpose of obtaining agreement
 to and sanction of the draft treaty which was drawn up
 by General Abe and Wang Chiang-wei at Nanking at the close
 of August this year. The only vernacular comment on the
 "settlement of the China incident" which has appeared since
 November 13, is a long editorial comment in the NICHU
 NICHU November 15 (Embassy's 1153, November 15, 7 p.m.)

It is not necessary to emphasize the strong desire of
 the Japanese Government and people "to settle the China
 incident" this represents the very basis of present Japanese

high

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

264

-2- #1159, November 16, 3 p.m. (Section Two) from Tokyo

high policy. The fact that an imperial conference was held and announcement made of complete agreement on questions relating to the China incident would indicate the confidence of the Government that at least a pro forma settlement of the incident may be expected in the relatively near future. Even though the Japanese can hardly expect a "settlement" which will bring tranquillity to East Asia at once, an agreement or arrangement could be announced which would constitute at least a "settlement" in name. It is difficult to foresee how this could include renunciation of the present Chinese puppet regimes and therefore any negotiations even with Chiang Kai Shek would probably have to be conducted in such manner as to envisage retention of some of those regimes.
(END SECTION TWO).

GREV

G.W.

0694

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

365

TELEGRAM RECEIVED

ATP

TOKYO

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

FROM Dated November 16, 1940

Rec'd 7:55 a.m.

Secretary of State,

Washington

1159, November 16, 3 p.m. (SECTION THREE)

76-94
The Japanese Government's statement of November 3, 1938¹⁴³⁸³
(Embassy's despatch 3416 November/4, 1938) and the Konoye
statement of December 22, 1938, emphasize the necessity
of concluding an anti-comintern agreement between
Japan and China in keeping with the Japan Germany Italy
anti-comintern pact, the stationing of Japanese troops at
"specified points" in China, presumably for defense
against communism, and the designation of inner-Mongolia
as a special anti-comintern area. The conclusion of the
Tripartite Alliance and the possible further strengthening
of Russo-German relations as a result of the Molotov visit
to Berlin may have obviated or changed many of the compelling
reasons for Japan's ^{insistence} (*) on cooperation with China in
defense against communism. Japan is now seeking a
nonaggression pact with Russia. It is possible that the
Imperial Conference was called to settle questions
concerning recognition of the Wang regime and regarding a
redefinition of Japan's fundamental policy for settlement of
the

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

366

-2- #1159, November 16, 3 p.m. (SECTION THREE) from Tokyo.

the China incident in order to remove or to alter provisions naturally offensive to Soviet Russia. Even a pro forma settlement with China, if accomplished parallel to or in conjunction with the Tripartite Alliance, would greatly lessen criticism of the Alliance, would go far to justify the pact even in the eyes of its silent critics, and by greatly enhancing the prestige of the Kenoye Government would alleviate much of the internal tension. (There would remain of course most of the present economic problems). Axis cooperation and a benevolent Russia would to some extent offset the weakness of the Wang regime. (END OF SECTION THREE).

GREY

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

267

HR **TELEGRAM RECEIVED**
 This telegram must be Tokyo
 closely paraphrased before
 being communicated to any- Dated November 16, 1940
 one. (Br) FROM Rec'd 6:15 a.m.

Secretary of State,
 Washington.

1159, November 16, 3 p.m. (SECTION FOUR)

The Japanese Government has no doubt been kept informed of pertinent details of the recent conversations between Germany and Russia in Berlin. Japan's diplomatic policies may now be expected to proceed along with those of the axis powers, and it is probable that announcement of any settlement of the China incident or significant changes in Japan's basic policies will be timed to serve as a harmonious accompaniment to or part of any new demarche by the totalitarian powers, probably including Russia, the vital link between Tokyo, Berlin and Rome.

(END MESSAGE).

GREW

GW

0697

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

ATP

PLAIN
TELEGRAM RECEIVED
HANKOW VIA N.R.

COPIES SENT TO
O.N.I. AND M.I.D.
11/19/40 *REK*

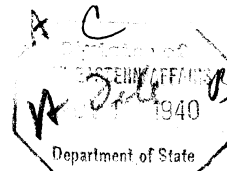
FROM

Dated November 18, 1940

Rec'd 1:30 p.m.

Secretary of State,
Washington

November 18, 7 p.m.



193.94
Local Japanese military headquarters through Japanese Consulate General has informed this office that on November 15th Japanese Army planes bombed Chinese positions to west of Poyang Lake and north of Nanchang. Military states that when bombers flew lower to ascertain results they noticed certain buildings in bombed area were marked with American flags. No direct hits observed on property but military authorities think possible indirect damage by concussion or otherwise. Military wish to assure that bombing was not deliberate attack on American property but an accident incident to air attack on Chinese troop concentration.

Japanese Consulate General seeking more definite information from military as to name of place where bombing occurred. This office addressing inquiries to Methodist Episcopal mission at Nanchang where only American missionaries in vicinity of Poyang Lake are located.

Sent to Chungking, repeated to the Department, Peking and Shanghai.

SPIKER

G.W.

793.94/16320

PS/30

NOV 20 1940
FILED

0698

DECLASSIFIED: E.O. 11652, 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

AS

GRAY

Hankow via N. R.

FROM

Dated November 19, 1940

Rec'd 9:29 a.m.

Secretary of State,
Washington.

PRIORITY.

November 19, 11 a.m.

Reference my November 18, 7 p.m. and Commander
Yangtze Patrol's November 18 radiogram concerning
Japanese reports of bombing of property marked with
American flag.

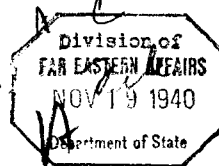
Representative of Japanese Navy called on me this
morning and stated that on November 15th navy planes
bombed Ani, Kiangsi, 25 miles northwest of Nanchang,
under circumstances described in my telegram of Novem-
ber 18, 7 p.m. Representative expressed regrets of
Japanese Navy at this unintentional bombing of Ameri-
can property.

Japanese General reports that it was mistaken in
reporting yesterday that army planes were responsible
for bombing. (END ONE).

Sent to Chungking, repeated to Department and
Shanghai. Shanghai please transmit copy of this message
and of my November 18, 7 p.m. to Commander Yangtze Patrol.

WWC

SPIKER



7
• 24/16321

NOV 22 1940

FILED

0699

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

FE

TELEGRAM RECEIVED

AS

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

Hankow

Dated November 19, 1940

Rec'd 8:23 a.m.

AMEMBASSY CHUNGKING

INFO: Secretary of State,
Washington.

November 19, 11 a.m. (SECTION TWO).

This office has no record of American property
at Ani but is investigating.

Repeated to Peiping and Shanghai. Shanghai please
transmit copy to Commander Yangtze Patrol.

SPIKER

DDM

1. N. 793.04/16321

DECLASSIFIED: E.O. 11652, 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

JT

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

HANKOW

Dated November 19, 1940

Rec'd 8:23 a.m.

20-116321
Secretary of State,
Washington.

November 19, 11 a.m. (SECTION TWO)

This office has no record of American property at
Ani but is investigating.

Sent to Chungking. Repeated to Peiping and
Shanghai. Shanghai please transmit copy to Commander
Yangtze Patrol. (END OF MESSAGE)

SPIKER

DDM

0701

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

HSM

TELEGRAM RECEIVED

Received via N. R.

This telegram must be
 closely paraphrased
 before being communi-
 cated to anyone. (Br.)

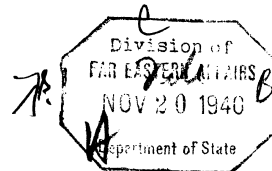
Dated November 19, 1940

Rec'd 3 a. m., 20th

FROM

SUBSTANCE COMMUNICATED ORALLY
 TO ONI AND MID 11/22/40 7D

Secretary of State,
 Washington.



102, November 19, 3 p. m.

Reference Chungking's November 13, noon.

Japanese troops arriving at Canton are believed to
 be those recently withdrawn from southern Kwangsi through
 Yanchow. It will be recalled that local Japanese garrison
 was weakened several months ago by withdrawal of troops
 for use in Kwangsi and Indochina and present movement is
 probably designed to restore garrison in this area to
 previous strength. No change in local military situation
 indicated.

Within the past few days there has been some fighting
 between Japanese and Chinese troops near Lupao 20 miles
 northwest of Canton indicating, it is believed, Japanese
 intention to close trade route through that area over
 which goods in considerable quantities have passed from
 unoccupied to occupied areas in recent months.

Sent to the Department. Repeated to Peiping, Chung-
 king and Hong Kong.

MYERS

TFV

707.94/15322

PS/CO
 11/20/40
 1940

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

FL
Lat

KD **TELEGRAM RECEIVED** via N.R.
This telegram must be
closely paraphrased before being communicated
to anyone. (br) **FROM** Rec'd. 12:26 p.m., 20th
TO ONE AND MID 11/24/40 7D
Communicated orally
Secretary of State,

Division of
EAST ASIAN AFFAIRS
NOV 22 1940
Department of State

Washington

94, November 7, 11 a.m.

Referring to Chungking's November 6, 10 a.m.

742 14
7519 14
Within recent weeks ~~against the~~ Japanese
troops have been withdrawn from this area for
use in French Indochina. Evacuation from Nanking
reported in my October 29, 11 a.m., to Peiping,
is believed to have been strategic and there is
at present no unusual activity apparent in this
district indicating withdrawal of Japanese
military forces. There appears to have been no
foundation for the rumored evacuation of other
occupied cities in this area.

Sent to Department. Repeated to Chungking,
Peiping, Swatow, Amoy and Hong Kong.

MYERS.

RR.

NOV 28 1940
FILED

738.94/16323

PS/30

0703

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

AS

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

FROM

Amoy via N. R.

Dated November 22, 1940

Rec'd 12:30 p.m.

Secretary of State,

Washington.

45, November 22, 4 p.m. 16308

Chungking's November 13, noon.

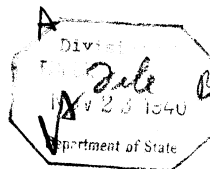
Nothing new during the past week.

713.94
Sent to the Department and Embassy at Chungking
and Peiping. Repeated to Canton, Swatow, Hong Kong,
Hankow.

MERRELL

TFV

Japanese movements.



793.94/16324

NOV 26 1940
FILED

PS/GC

0704

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

DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

November 27, 1940.

U
 Mr. Welles:

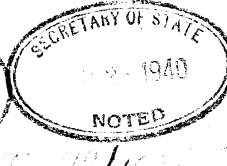
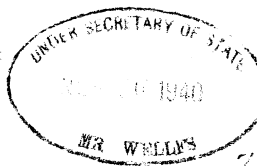
Mr. Secretary:

We have received a most interesting air mail despatch from Kunming (Yunnanfu), China, of date November 2, 1940, in which there are described vividly conditions in Kunming and in Yunnan Province as result of a month of severe air bombardment. The principal objectives in these attacks appear to have been (1) cutting of the Burma highway and other communications facilities in Yunnan, (2) destruction of industrial and economic establishments, and (3) demoralization of the populace through terrorization and obstruction of the conduct of everyday affairs.

The Japanese have had a certain amount of success in attaining their first objective. The bridge over the Mekong River has been badly damaged. (Later reports indicate that damage to the bridges over the Mekong and Salween Rivers has been temporarily repaired and that nearly normal traffic has been resumed.) The Consul gives it as his opinion, however, derived from conversations

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File



793.64/13325

PC/CC

FILED

DEC 12 1940

0705

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

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conversations with transportation people familiar with the Burma Road and from conferences with local aviation advisers, that unless the Chinese have better air defense arrangements (preferably in the form of fighter planes) the replacement of bridges will be of no avail against continued bombing.

The Japanese have achieved even greater success in attaining their second objective, the destruction of industrial and economic establishments. Vital damage has been done to the only modern smelter, refinery and ore dressing plant in China, and although damage has not been done to the mines themselves the mining of tin ore is greatly hampered by fear of constant bombing attacks. Serious damage has been done to one of the few modern cotton mills, to the copper refinery and to an optical works plant. (This comprises a substantial portion of the modern industry in Kunming. This report does not mention it but Japanese bombing attacks have also put out of commission one of China's two aviation assembly

DECLASSIFIED: E.O. 11652, 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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assembly plants, namely, the one at Loiwing.) In addition to the foregoing there has been heavy destruction of shops and residences.

Kunming has virtually no bomb shelter protection and consequently upon the sounding of the first alarm there is an almost total evacuation of the city to the surrounding hills. Hundreds of trucks, buses, and passenger cars as well as thousands of pedestrians race for the country at the same time, and complete panic prevails upon every alarm. Traffic is exceedingly dangerous to pedestrians and numerous persons are killed and injured by motor vehicles during every raid. There is virtually no traffic control and it would be difficult to enforce such control in such panicky conditions without use of firearms. Frequently outward traffic on the narrow roads is completely held up by truck breakdowns and there are resulting large congregations of motor vehicles which are good targets for Japanese bombers. Members of the Consulate staff were caught in one of these traffic jams. Business has been virtually suspended within the city and there has therefore been a great reduction in economic activity. With complete Japanese mastery of the air the weapon of terrorization has thus far been used with considerable effect at Kunming. Morale may be expected to suffer

along

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

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along with health as colder weather approaches.

The Consul has learned that the Chinese pursuit force stationed at Kunming will not in the future be used against Japanese air attacks because of the greatly superior type of pursuit planes which now accompany the bombers. The knowledge that there is no defense at Kunming except feeble ground fire and that the Japanese can bomb and strafe at will has led to a feeling of helplessness on the part of the population, and the American aviation advisers state that military officials are greatly depressed at the lack of fighter defense, and report that the Chinese morale is the lowest that they have personally observed since the war began.

M. D. Gustafson

 
FE Jones: FRE/HES

0708

DECLASSIFIED: E.O. 11652, 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. 138

AMERICAN CONSULATE

Kunming (Yunnanfu), China, November 2, 1940.

SUBJECT: Conditions in Kunming and Yunnan Province
As a Result of Recent Japanese Air Offensive.

CONFIDENTIAL
SENT TO TREASURY
IN CONFIDENCE
11/11/40 REK

11/21/40 REK

11/21/40 REK

RECEIVED
DEPARTMENT OF STATE

NOV 22 AM 11 35

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to report on conditions in Kunming and Yunnan Province following a month of frequent air raid alarms and numerous severe bombardments of Kunming and other towns and communications points in the province.

It would appear at this time that the principal motives of the Japanese in these attacks are:

- (1) Cutting of Burma highway and other communications facilities in Yunnan;
- (2) Destruction of industrial and economic establishments;
- (3) Demoralization of the populace through terrorization and obstruction of the conduct of everyday affairs.

Some success has already been achieved in obstruction of transportation on the Burma route since air attacks began on October 18.* As this is written, there are reliable reports that the present bridge over the Mekong River has been badly damaged, although it is stated that a new bridge which is very nearly completed was untouched. However, it is probable that traffic will be held up indefinitely, despite sanguine claims that it will be restored in about two weeks' time. It is the opinion of this office, derived from conversations with transportation people familiar with the Burma road and with local aviation advisers, that unless the Chinese have better air defense arrangements (preferably in the form of fighter planes), the replacement of bridges will be of no avail against continued bombing. The only alternative in that case would be a system of ferries. For the Salween crossing this would be extremely difficult, according to all reports as the gorge below the bridge at that point drops sheerly to the river, and in addition the current is swift and

treacherous.

*See Kunming's despatch no. 136 of Oct. 30, 1940, "Traffic on Yunnan-Burma Highway".

732.34/15320

11/10

NOV 22 AM 11 35

DECLASSIFIED: E.O. 11652, 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-

treacherous. A cable system to guide ferries would probably be necessary.

As of interest in connection with movement of cargo, recent travellers report that thousands of drums of gasoline are stored in covered plots on the hillsides near Wanting, the border port, and that an estimated one thousand trucks are parked near Chefang. Stoppages, even temporary, of traffic on the route will give the Japanese bombers opportunity to visit these places, as their range now extends to western Yunnan; this condition will continue if further importations are made while trucks are immobilized. It should be noted that Japanese attacks on the river bridges have been relentless thus far and they may be expected to be directed toward goods dumps during the periods when traffic is successfully cut.

The economic effects of the obstruction of traffic will be great, for it must be remembered that ordinary commercial goods continued to move over this route even during the cessation of military importations. Exports to the United States of key commodities, especially wood oil and wolfram, will probably suffer. Shipments of outside commercial goods, many of them sorely needed in the interior, will be seriously affected, as the Yunnan Railway is now finished as a route for freight. Similarly, present plans of the Chinese Post Office for routing ordinary first-class mail through Burma, to replace the Indochina route, may not be feasible on any elaborate scale. Doubtless subsidiary communications points will later suffer attack, including bridges wherever found; destruction of two passenger planes of the Eurasia Aviation Corporation and the China National Aviation Corporation respectively, has already occurred.

A considerable amount of destruction of economic points, such as factories and mines has already been accomplished. Tin production in the Kochiu area is expected to be seriously curtailed as a result of the reported vital damage done to the smelter, refinery and ore dressing plant of the new amalgamation of tin companies, and the probable reduction in mining operations through fear of constant bombing attacks. As for Kunming and its environs, despite two bombing attacks on the Yunnan Cotton Mill Company's plant, it is understood that production there can be continued; an attack on the new Yu Tien Cotton Mill Company's plant, however, was more successful and it has been reported on good authority that heavy damage was done to machinery stationed in the mill compound but not yet installed. Varying reports have been received concerning damage to the copper refinery at Makai about seven miles from Kunming on the Burma highway, west of the city; it is known that a large fire raged there following the bombing attack and it is probable that considerable injury resulted. An optical works (largely for military supply) south of the city has been hit on at least two occasions with what is believed to have been sizeable damage. Few military objectives in or around Kunming have apparently been bombed. However, the Provincial Bureau of Reconstruction has been partially destroyed, the Banque de l'Indochine demolished, and a considerable number of smaller shops

and

0710

DECLASSIFIED: E.O. 11652, 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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either completely destroyed or seriously damaged. Heavy destruction in the northern residential section has occurred.

It is now apparent that the Japanese military is leaning heavily on the weapons of demoralization of the populace and disorganization of its common economic activity. This activity has been directed at Kunming in particular, but it is understood that when Japanese planes enter the province the air raid alarm is sounded in nearly all the larger towns in Yunnan. A report recently received from as far west as Tali indicates that alarms there are almost a daily occurrence and that, although the city had not experienced a raid, evacuation is general at such times. With perhaps half a dozen exceptions, Kunming has no bomb shelter protection which is regarded as preferable to a ditch, consequently an almost total evacuation of the city to the surrounding hills villages occurs upon the first alarm. Owing to the indiscriminate nature of the bombings, no one questions the advisability of leaving the city during raids. Following the surprise raid in the early morning of October 26, when pursuit planes machine-gunned motor vehicles and people caught on the city's circular road, a considerable portion of the diminished population residing in the city now start leaving the city for the countryside shortly after dawn. Villages in the surrounding valley are likewise evacuated upon the alarm. No official establishments, consulates, or business offices now attempt to have morning hours. Nearly all foreigners follow the early evacuation rule at this time, as the frequency of alarms makes it safer from the standpoint of traffic to depart before the alarm is sounded.

Hundreds of trucks, busses, and passenger cars stationed in the city leave at the first siren, racing madly, frequently two or three abreast, to get out of the city and take positions in the countryside; thousands of civilians run outside at the same time. Thus, complete panic prevails upon every alarm. While traffic on all roads is dangerous to pedestrians, the circular road after the siren is sounded is particularly dangerous, not only for those on foot but for those in automobiles as well. It is known that numerous persons are killed and injured by motor vehicles during every raid. Mr. A. L. Pollard-Urquhart, British national, who was attached to the Orthological Institute subsidized by the Rockefeller Foundation, recently died as a result of injuries suffered when he was hit by a truck during an air alarm. There is virtually no traffic control and indeed it would be difficult to enforce orderly traffic in such panic conditions without the use of firearms.

An additional hazard is the congestion on the highways outward, most of which are narrow, where truck breakdowns are frequent and during which time the whole line is held up. The Japanese are generally expected to take advantage of this condition on future visits with pursuit planes. The many large congregations of motor vehicles on roads outside the city will also likely be targets. During the October 26 raid, mentioned above, traffic was so tangled as to be completely immobilised, and it is generally agreed that the diversion of the Japanese attack towards the Eurasia transport plane is all that prevented a heavy toll

of

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

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of life. Although the Consulate staff left promptly on the alarm that day (the raiding planes were over Kunming approximately ten minutes after the first alarm was sounded), the members were caught with the rest of the city's population at various points on the outskirts of the town.

The Consulate has informally discussed traffic control for air raid alarms with several officials and leading Chinese here, but although they deeply deplore the situation as dangerous to public safety they state that these conditions are well known to the appropriate authorities and that it can only be hoped that remedial measures will be taken.

In addition to the many official organs and business offices which have moved to the environs of Kunming, the three leading hospitals have suspended work in the city and are endeavoring to establish themselves outside. Certain Central Government organizations are considering removal from the province entirely. The Southwest Associated University, however, has plans for migration to other places in Yunnan Province, but it will take several months to complete the removal. Under this plan the various colleges will move one by one (the College of Engineering being the last to go), and will probably not be located in the same place hereafter (Chengkang (澄江) and Chinning (晋宁) are now mentioned as probable removal points).

With complete Japanese mastery of the air, the weapon of terrorization has thus far been used with considerable effect in Kunming. A great reduction of economic activity has resulted, for while market towns can carry on at night much of the work of the day, an industrial and economic center of the size of Kunming is heavily hit by such part-time activity. Moreover, so many offices have moved out of the city that communication between them is spasmodic where it exists at all. The larger stores and many small shops have moved the bulk of their stocks outside the city and there now is a scarcity of many common types of goods. Morale may be expected to suffer along with health as colder weather approaches, especially should nuisance night raids be attempted in order to terrorize the public further.

125 746

With reference to the Consulate's telegram of October 4, 10 a.m., to the Embassy, Chungking, concerning the possible emergency location of a Consulate work office outside the city should the necessity arise, I wish to state that work is still being carried on at the consular premises although plans are being made for construction of a small house for auxiliary use at some point outside the city. The original plan for the location of such an office at the Western Hills, across Kunming Lake, has just about been abandoned in view of the number of governmental organs which have now removed there. Provincial offices are installed in several of the temples of these hills, in addition to which the National Epidemic Prevention Bureau, which will probably remain in Yunnan, lies at the foot of the hills; it is learned that a large house now under construction there is designed for the use of General Ho Ying-chin. However, almost any fairly convenient

venient

0712

DECLASSIFIED: E.O. 11652, 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-

venient and suitable place has some governmental organizations or military stocks located in it and most villages have Provincial troops garrisoned in them.

CONFIDENTIAL

It is learned on good authority that the Chinese pursuit force stationed at Kunming will not be used in future against Japanese air attacks, as the enemy bombers are usually accompanied by pursuit planes of a new and speedy type, carrying a cannon type of machine-gun which affords considerable fire-power. In the first engagement with Japanese combat planes, two of the local pursuit planes were shot down and two forced down with some damage. It is believed that several training craft have likewise been destroyed recently. Even the flight of the pursuit and training force to auxiliary fields now has a discouraging outlook, following the Japanese discovery of some of these fields, such as the one at Chanyi, attacked on October 26. It is learned that three Japanese pursuit craft recently landed at the Laokay airfield, possibly for trial purposes. If this field (which is small) can be used by fighter planes, the latter can accompany bombers to parts of western Yunnan and along most of the Burma highway, according to informed sources.

The knowledge that there is no defense here (except feeble ground fire) and that the Japanese can bomb and strafe at will has led to a feeling of helplessness on the part of the population. Local American aviation advisers state that military officials here are greatly depressed at the lack of fighter defense and report that Chinese morale is the lowest they have personally observed since the war began. Colonel C.L. Chennault, chief foreign adviser here, has already departed for the United States, and several other American instructors at Kunming and Yunnanyi are preparing to leave within a short time. The basic aviation training school at Kunming is to be moved to Chaotung, in northern Yunnan, although the advanced pursuit class is to remain here for the time being.

Respectfully yours,

Troy L. Perkins
 Troy L. Perkins,
 American Consul.

In quintuplicate to Department (original and one copy by air).
 Copy to Embassy, Peiping.
 Copy to Embassy, Chungking.
 Copy to Consulate General, Shanghai.

800
 TLF/epy/tlp

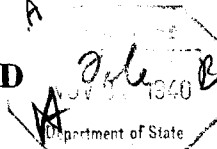
ONE

Y.L.P.

0713

DECLASSIFIED: E.O. 11652, 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



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

HANKOW VIA N.R.D

Dated November 23, 1940

Rec'd 1:44 p.m.

11/25/40 TD

Secretary of State,
Washington.

81, November 23, 11 a.m.

Reference Chungking's circular telegram of
November 6, 10 a.m., my 73, November 7, 1 p.m. and 78,
November 16, 11 a.m.

993-94
No evidences during week of withdrawal from this
area. Japanese continuing construction of concrete
pill-boxes and gun emplacement around Ichang and in
vulnerable Huangpei area near Hankow; also replacing
wooden railway bridge near Hupeh-Honan border with steel
and concrete structure. Previously reported construction
of brick barracks and officers quarters on outskirts of
Hankow rapidly continues as does similar building in
Japanese Concession here. New rifle range being
constructed near city.

Sent to the Department. Repeated to Chungking,
Peiping and Shanghai.

SPIKER

TFV

793.94/16326

PS/J1

NOV 29 1940
FILED

0 7 1 4

TELEGRAM RECEIVED

REC'd 8:54 p.m.

Washington

My 524, October 17, 7 p.m.

Two. The informant asserted that Great Britain recognized that China's most urgent need at present is aircraft and artillery which Great Britain

5/1/00

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

373

RDS -2- 593, November 23, noon from Chungking

Britain is now not in a position to supply. But it is hoped that it will be possible to furnish China with planes when Great Britain's aircraft production reaches higher levels; in the meantime the British plan to conduct a study of Chinese air fields with a view to ascertaining their capacities and limitations.

Three. The British attache went on to say that the British Embassy here had cabled a recommendation to London that it be authorized to approach Chiang Kai Shek and ascertain precisely what he wishes Great Britain to do in the way of providing aid; no reply has been received although the cable had been despatched ten days previously.

Four. According to the assertion of the informant the British Embassy in Chungking is in favor of all possible British assistance to China.

Sent to the Department only.

JOHNSON

NPL

0716

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

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TELEGRAM RECEIVED

Department of State

ATP
 This telegram must be **FROM**
 closely paraphrased be-
 fore being communicated
 to anyone (br)

TOKYO VIA SHANGHAI & NR

Dated November 22, 1940

Rec'd 9:26 a.m. 23rd

Secretary of State,
 Washington

11/25/40 JD

1183, November 22, 6 p.m.

There is current in Tokyo a rumor which, in spite of considerable effort remains unconfirmed, that the Japanese Government decided at the last imperial conference (Embassy's telegram 1159 November 16, 3 p.m.) to offer Chiang Kai Shek, not directly but through Wang Ching Wei, an opportunity to cooperate with the Japanese and to Nanking regime in the formation of a new government of China. It is said that Chiang has been given until the end of November to make his decision. Should he decline to accept the Japanese peace proposals and decide to continue resistance the Japanese have reportedly warned him that full recognition will be extended to Wang Ching Wei and that Japan and the new Chinese Government will continue to attack Chiang Kai Shek until his "regime" is destroyed.

The persistence of this rumor coupled with the fact there have appeared recently in various vernacular newspapers editorials and articles urging not only the support of Wang Ching Wei

753.94/16328

PS/JI

0717

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

275

-2- 1183, November 22, 6 p.m. from Tokyo via Shanghai
& N.R.

Wang Ching Wei but also broadly hinting that cooperation
between Chiang Kai Shek and Japan would be welcomed
should that cooperation conform to Japan's desires for its
"new order in Asia" would seem to give further indication
that the Japanese may have approached, probably through
Wang Ching Wei, the Chinese National Government officials.

Sent to the Department via Shanghai. Shanghai
please repeat to Chungking, Peiping.

GREW

HPD

0718

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

376

CU
V*

TELEGRAM RECEIVED

EH

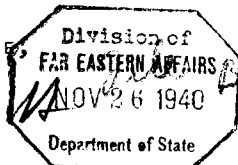
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (C-1)

London

FROM Dated November 23, 1940

Rec'd 9 p.m.

Secretary of State,
Washington.



URGENT.

3834
November 23, 8 p.m.

Cancelled
1/23/41
EJS

Mr. R. A. Butler sent for me yesterday afternoon to
make certain remarks, he said, about the Far Eastern situa-
tion. While the Government is not unduly alarmed by present
trends, movements are taking place, the purpose of which is
obscure, and may mean trouble. He mentioned first that there
is a large scale evacuation of Japanese troops from southern
China to Hainan, said ostensibly to be for the purpose of
recuperation of exhausted men. This is doubtless true, he
thinks, to some extent but recuperation of tired bodies of
troops does not take a long time under rest conditions and
the number of troops now concentrating in Hainan are suffi-
cient to give rise to the suspicion that they are being
concentrated there for some other move. At the same time,
Japanese naval vessels are definitely pointing their noses
southward and there is a continuous passage of these ships
around Saigon and beyond making reconnaissances. The Japanese
have

793.94/16329
FILED Confidential File 98/01

REK

0719

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

277

EH -2- 3835, November 23, 8 p.m. from London.

have already completely occupied Tongking and they may be planning to extend the occupation to Cambodia and Cochin China, with consequent increase of the menace to British Malaya.

While the direction the Japanese may thrust can only be conjectured, Mr. Butler said they are inclined to think here it is more likely to be toward Borneo with a view to seizing the oil wells, than toward the Straits. The possibility of an attack on Malaya, both by land and by sea, is not however to be entirely discounted and it is planned to reinforce the British troops already there with contingents of Australian and New Zealand soldiers.

The position of Thailand in connection with the defense of Malaya is, of course, of vital importance and presents for the British a delicate situation. He said that he had denied two days ago to the Japanese Ambassador that there (report?) was any truth in the reply of a tripartite agreement between Great Britain, the United States, and Thailand. The British Minister at Bangkok is doing what he can to discourage any attempt to make and enforce at this time any territorial demands on Indo-China. They are watching for signs in any quarter of resistance in Indo-China to Japanese domination and want to encourage it, including any encouragement they can

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

278

EH -3- 3835, November 23, 8 p.m. from London.

can give to the Vichy Government to stiffen its attitude to Japanese demands. He admitted that they have very small leverage for accomplishing anything in this direction. They are not attempting to encourage any de Gaulle movement in Indo-China although there are de Gaulle sympathizers in the colony who are in touch with leaders outside. To strike the balance between Thailand ambitions and stiffening, if they can, Indo-Chinese resistance is a ticklish job.

The Japanese are bombing the Burma Road and some bombs have fallen in Burma itself. The British are trying to put the best face they can on it and to act as though nothing had taken place.

Butler said the Foreign Office had sent to the Department through the British Embassy at Washington an outline of the plans of the government to put economic pressure on Japan. They are not planning to do anything spectacular, but what will be done, he hopes will be done thoroughly with all the Dominion governments, India and the Colonial administrations cooperating so that the screws can be put on all exports to the Japanese at any point necessary. India, he said, had already put a ban on the export of scrap iron to Japan.

The Undersecretary reiterated two or three times that
 they

DECLASSIFIED: E.O. 11652, 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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EH -4- 3835, November 23, 8 p.m. from London.

they are not alarmed about the present situation but that they felt it had dangerous possibilities; any move the Japanese may make south against Malaya would necessarily entail immediate British action and he remarked that if Borneo were the objective, it would put both Great Britain and the United States on the spot.

They are (*) insistent demands on all branches of the British armed forces now for ships, aircraft material and troops. It is obvious, therefore, that the government is nervous lest dynamite go off in the Far East and they be faced with the necessity for an immediate effort which will call for the diversion of men, ships, aircraft and material that cannot be spared from the tremendous job they have on their hands at home.

In connection with economic pressure on Japan, Butler said that they are in close consultation with the Dutch. Although they do not like the recent agreement for the sale of Dutch oil to Japan, he seemed to place some confidence in Dutch toughness and what, he said, was their extraordinary skill in dealing and negotiating with the Japanese. He did not give any details of the practical way in which they expected the Dutch East Indies government to cooperate in this field.

JOHNSON

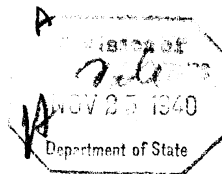
NK

(*) apparent omission.

0722

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

TELEGRAM RECEIVED



JT

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

HANKOW VIA N.R.

Dated November 23, 1940

Rec'd 10:20 a.m.

Secretary of State,
Washington.

November 23, 9 a.m.

Reference my telegrams of November 18, 7 p.m. and
second section of my November 19, 11 a.m.

793.94
No reply yet received from American Mission at
Nanchang. Local investigation shows that French Catholics
and a British missionary organization (Christian missions
in many lands) have mission stations at Ani. Latter
organization as late as 1938 employed Conrad Bashr and
family as American workers in that area with residence in
nearby town of Tsingan. Since mission has no Hankow
representative, it is suggested that confidential
inquiry be addressed by you to F. J. Hopkins at Shanghai
headquarters, 30 Route Boissezon as to possible use of
American flag by Bashr to mark his mission's buildings
at Ani.

Sent to Shanghai. Repeated to Department, Chungking
and Peiping.

SPIKER

DDM

793.94/16371
PS/FF

NOV 26 1940
FILED

0723

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

TELEGRAM RECEIVED

FROM

AS

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

Swatow via N. R.

Dated November 25, 1940

Received 7:30 a.m.

11/25/40

Secretary of State,

Washington.

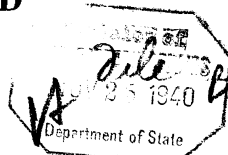
31, November 25, noon.

There is nothing further to indicate Japanese withdrawal from Swatow. On the contrary last week the Japanese approached operator of residential hotel here under British protection reportedly with a view to obtaining the premises for use as an army officers' hotel or club.

Sent to the Department. Repeated to Chungking, Peiping, Hong Kong, Canton, Amoy, Hankow.

FORNES

TFV



737.94/16332

NOV 29 1940

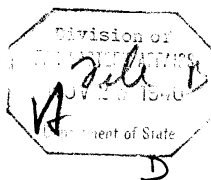
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PS/33

0724

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



FROM

AS

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

Hong Kong via N. R.

Dated November 25, 1940

SUBSTANTIAL COMMUNICATIONS DAILY
 TO CHUNGKING 11/26/40 5D

Rec'd 8:22 a.m.

Secretary of State,
 Washington.

442, November 25, noon.

With further reference to the Embassy's
 November 13, noon.

We have during the past week obtained no reliable or confirmed information (*) indicate Japanese troop movements of significance in the Hong Kong area.

Travelers arriving by sea from the south continue to report that they have seen many Japanese transports and warships in the vicinity of Hainan Island and particularly in and around Hoihow.

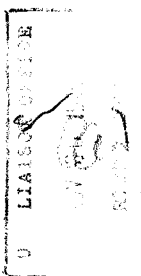
Sent to Chungking. Repeated to Peiping, Canton and Swatow.

SOUTHARD

DDM

(*) Apparent omission.

793.94/16335



DEC 6 1940
 FILED

0725

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



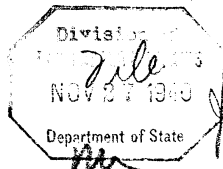
THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN EMBASSY

Tokyo, October 29, 1940.

No. 5091

SUBJECT: JEOPARDIZING OF AMERICAN LIVES AND PROPERTY
 IN CHUNGKING AS A RESULT OF JAPANESE BOMBING
 OF THAT CITY ON OCTOBER 25, 1940.



| For Distribution-Check | | Yes | No |
|------------------------|--|-----|----|
| Grade | | | |
| For | | | |

The Honorable

The Secretary of State,
 Washington.

Sir:

Confirming our telegram No. 1074, October 28, 9

p.m., I have the honor to transmit herewith, for the

1/ Department's information and records, a copy of our

note, No. 1670, dated October 28, 1940, to the Imperial

Japanese

703.94/16304 LH

DEC 3 - 1940
 FILED

0726

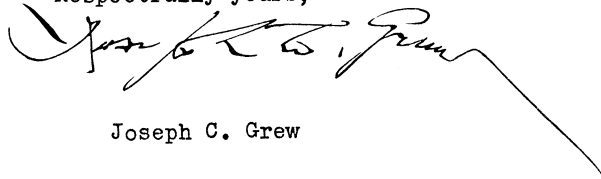
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

Japanese Minister for Foreign Affairs, containing representations made regarding the jeopardizing of the American Embassy at Chungking and its personnel, and the U.S.S. TUTUILA, as well as damage to property belonging to the Chungking Ice Company in that city, occasioned by Japanese bombing on October 25, 1940.

2/ There is also enclosed a copy of my personal note of the same date to the Minister for Foreign Affairs, transmitting, for his personal attention, a copy of the representations referred to.

Respectfully yours,



Joseph C. Grew

✓
2 Enclosures:

1. As stated.
2. As stated.

350

SEG:gt

Original and 3 copies to the Department.
Copy to Embassy, Chungking.
Copy to Embassy, Peiping.
Copy to Consulate General, Shanghai.

0727

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

Enclosure No. 1 to despatch
No. 5091 of October 29, 1940,
from the Embassy at Tokyo.

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

EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, October 28, 1940.

No. 1670

Excellency:

I have the honor to inform Your Excellency that, according to information received from the American Embassy at Chungking, the 26 heavy Japanese bombers which bombed Chungking on October 25, last, followed a course immediately over the premises of the American Embassy and the U.S.S. TUTUILA and that bombs fell north, west, and east of them, the nearest dropping about 300 yards north of the Embassy and the ship. The Embassy reported further in this connection that 11 bombs fell on the south bank of the Yangtze River, within the zone designated by Your Excellency's predecessor, Mr. Hachiro Arita, in the penultimate paragraph of his note, Asia I, 8/Go, of June 14, 1940, as a safety zone. The Embassy added that an ice plant belonging to the Chungking Ice Company, an American firm, was damaged during the raid.

I have the honor to point out to Your Excellency again the serious danger to the lives and property of
American

His Excellency
Mr. Yosuke Matsuoka,
His Imperial Japanese Majesty's
Minister for Foreign Affairs,
etc., etc., etc.

0728

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

-2-

American citizens involved in these indiscriminate attacks, to protest emphatically against the renewed bombing of the property of the American firm above mentioned and to express once more the seriousness of the endangering by planes of a friendly power of the American Government's establishment in Chungking and the lives of the American Ambassador and the American personnel, who are carrying on the legitimate duties entrusted to them by my Government.

I take this occasion again to request Your Excellency to cause the most stringent orders to be issued by the appropriate authorities of the Japanese Government to prevent the recurrence of incidents of this nature.

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

JOSEPH C. GREW

0729

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

Enclosure No. 2 to despatch
No. 5091 of October 29, 1940,
from the Embassy at Tokyo.

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

THE AMERICAN EMBASSY

TOKYO

October 28, 1940.

My dear Mr. Minister:

I am taking the occasion to enclose herewith, for Your Excellency's personal information, in view of the interest which you have been good enough to take in endeavoring to put an end to the long list of bombings by Japanese aviation of American property in China, a copy of my official representations of today's date regarding the renewed bombing by Japanese planes, during the course of an air raid on Chungking on October 25 last, of the property of the Chungking Ice Company, an American firm, as well as regarding the fact that the 26 Japanese bombers which took part in the raid followed a course immediately over the premises of the American Embassy and the U.S.S. TUTUILA, and that bombs fell north, west, and east of them, the nearest bomb landing about 300 yards north of the Embassy and the ship in question.

I venture to hope, in view of the interest which Your Excellency expressed in this matter, that the serious menace, constituted by these air raids to the safety of the

American

His Excellency
Mr. Yosuke Matsuoka,
His Imperial Japanese Majesty's
Minister for Foreign Affairs,
etc., etc., etc.

0730

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

-2-

American official personnel in China as well as to the property and lives of American citizens legitimately pursuing their callings in that country may be obviated through effective orders to the responsible Japanese officers concerned.

Sincerely yours,

JOSEPH C. GREW

Enclosure:

1. Embassy's note No. 1670

0731

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sino- Japanese relations. Status of the coastal blockade.
absence of bombing.

fp

For the original paper from which reference is taken

See Des. #212
(Despatch, telegram, instruction, letter, etc.)

Dated Oct. 2, 1940 From Foochow (Ward)
To

File No. 893.00 P. R. Foochow/152

733.94/16334 1/2

733.94/16334 1/2

0732

DECLASSIFIED: E.O. 11652, 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. 2892

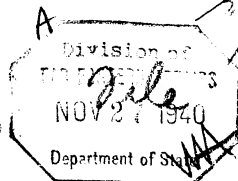
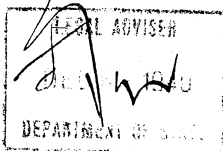
Peiping, China, October 16, 1940.

Subject: Bombing of Kunming (Yunnanfu);
damage to Consulate and to
residence of Colonel Chennault.

DIVISION OF FOREIGN
SERVICE ADMINISTRATION

DEC 2 - 1940

DEPARTMENT OF STATE



RECEIVED
DEPARTMENT OF STATE

1940 NOV 26 PM 2 31

DIVISION OF
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AND RECORDS

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| To be sold
In U.S.A. | | | |

The Honorable

The Secretary of State,

Washington, D.C.

Sir:

I have the honor to refer to this Embassy's telegram no. 383, October 15, 4 p.m., in regard to the bombing of Kunming (Yunnanfu), the endangering of the American Consulate and its personnel, and the damage to the residence of Colonel Clare Chennault, and to transmit herewith, as a matter of record, a copy of a communication on the subject, dated October 15, 1940, addressed by this Embassy to the Japanese Embassy at Peiping.

In

7-12-14/10375

FILED

DEC 3 1940

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0733

DECLASSIFIED: E.O. 11652, 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 -

In the above-mentioned communication, it was requested that the jeopardizing of the American Consulate at Kunming and its personnel, as well as the bombing of the residence of Colonel Chennault, be brought to the immediate attention of the Japanese authorities concerned and that steps be taken to prevent the possibility of a recurrence. It was stated that the Consulate had been marked with a large American flag and the Japanese authorities informed thereof, and that a map showing the location of the Consulate property had been forwarded to the Japanese Embassy on November 9, 1938.

Respectfully yours,

For the Ambassador:

Robert L. Smyth

Robert L. Smyth
First Secretary of Embassy

Enclosure:

To Japanese Embassy,
Peiping, October 15,
1940.

Original and 2 copies to Department.
Copy to Embassy, Chungking
Copy to Embassy, Tokyo.
Copy to Consulate, Kunming (Yunnanfu).

710 U.S.-Japan/350 Chennault

ARR/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

Enclosure no. 1, despatch no. 2892,
 October 16, 1940, from Embassy,
 Peiping, China - Bombing of Kunming
 (Yunnanfu); damage to Consulate and
 to residence of Colonel Chennault.

TO: THE SECRETARY OF STATE, WASHINGTON, D. C.

Re letter to the Secretary of State, dated October 16, 1940, from the Embassy, Peiping, China, regarding the bombing of Kunming (Yunnanfu) on October 13, 1940, the northern section of which was heavily bombed by a squadron of twenty-five Japanese planes; that several bombs fell dangerously close to the American Consulate building, which is adjacent to the Consulate residence through connection; and that the residence of Colonel Claire Chennault, an American citizen living in Kunming, was largely destroyed.

It is requested that the jurisdiction of the American Consulate at Kunming and its personnel, and the bombing of the residence of Colonel Chennault, be brought to the immediate attention of the appropriate Japanese authorities, and that steps be taken to insure

against

1. The attack, against,

Counselor of Embassy,

Embassy of Japan,

Peiping.

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

- 2 -

possibility of a recurrence of such an incident.
 In this connection reference is made to the
 Embassy's communication of September 8, 1958, in which
 you were informed that an American flag, 9 x 17
 in size, had been placed on the roof of the Ameri-
 can Consulate at Kunming; and to this Embassy's com-
 munication of November 9, 1958, under cover of which was
 transmitted a map showing the location of the Consulate
 of the American Consulate at Kunming.

All rights are reserved in respect of damages and
 charges suffered by the Government of the United States
 and Colonel Chenault as a result of this incident.
 Incident.

I avail myself of this opportunity to extend to
 you, Sir and dear colleagues, the renewed assurance of
 my highest consideration.

For the Ambassador:

Robert L. Smith
 First Secretary of Embassy

710 H.W.-Japan/350 Chennault

MR/jk

24

0736

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



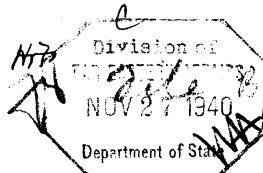
THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN EMBASSY

Tokyo, November 1, 1940

No. 5107

SUBJECT: CONVERSATIONS AT TOKYO RELATING TO INCIDENT
 OF JULY 7 INVOLVING THE ARREST OF JAPANESE
 GENDARMES AT SHANGHAI



RECEIVED
 DEPARTMENT OF STATE

1940 NOV 25 PM 2 30

COMMUNICATIONS
 SECTION

Copy in 7. E.

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| For Distribution | Check | Yes | No |
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| | | IN USA | <input checked="" type="checkbox"/> |
| | | Q.N.I. = M.I.D. | |

COPIES SENT TO
 12/14/40

The Honorable

The Secretary of State
 Washington

Sir:

I have the honor to refer to my telegram no. 951, October 6, 5 p.m., and to previous telegrams regarding the incident of July 7 involving the arrest of Japanese gendarmes in the American sector of the International Settlement at Shanghai. Inasmuch as it appears that no definitive settlement of this case is likely to be reached,

I

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 893.102 S

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 NOV 12 1940

-2-

I am transmitting herewith for completion of the Department's records memoranda of my conversations with the Minister for Foreign Affairs regarding this subject on September 12, September 21, and October 5, together with a memorandum of Mr. Crocker's conversation on September 25 with a member of the East Asia Bureau of the Foreign Office, and a communication of September 28 from that official to Mr. Crocker transmitting the Foreign Minister's "oral statement" in response to my representations of September 21. These communications have all been fully reported by telegraph as indicated.

Respectfully yours,



Joseph C. Grew

5 ✓
Enclosures:

1. Conversation, September 12, 1940: The American Ambassador, Mr. Grew, with the Japanese Minister for Foreign Affairs, Mr. Matsuoka. (Embassy's telegram no. 825, September 12, 7 p.m.)
2. Conversation, September 21, 1940: The American Ambassador with the Minister for Foreign Affairs. (Embassy's telegram no. 874, September 21, 3 p.m.)
3. Conversation, September 25, 1940: Mr. Hagiwara of the East Asia Bureau of the Foreign Office with the American First Secretary, Mr. Crocker. (Embassy's telegram no. 894, September 25, 7 p.m.)
4. Letter from Mr. Hagiwara to Mr. Crocker, September 28, 1940. (Embassy's telegram no. 918, September 29, 4 p.m.)
5. Conversation, October 5, 1940: The American Ambassador with the Minister for Foreign Affairs. (Embassy's telegram no. 951, October 6, 5 p.m.)

810.1

ESC:mg

Original and 4 copies to the Department
Copy to Consulate General, Shanghai

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

Enclosure No. 1 to despatch
 No. 5107 dated November 1, 1940,
 from the Embassy at Tokyo.

Conversation.

September 12, 1940.

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

At the request of the Minister for Foreign Affairs
 I called on him this afternoon and we talked for an hour
 and twenty minutes of the incident concerning the Shang-
 hai marines of July 7 and the defense sector question.

Concerning the July 7 incident, Mr. Matsuoka reiter-
 ated his previous statement which alleged that Major Gen-
 eral Miura and Colonel Peck were within sight of agreement
 but that the State Department by its intervention changed
 the attitude of Colonel Peck and Admiral Glassford to an
 "adamant" one. My reply was similar to that previously
 made, namely, to the effect that this was not my interpre-
 tation of events (Department's 316, August 20, 6 p.m.),
 and I therefore presented to the Minister the facts of the
 incidents as they appeared in our records. Almost every
 point was contested by Mr. Matsuoka, resulting in a wholly
 inconclusive argument. Mr. Matsuoka said that the Shanghai
 negotiations which have finally been broken off have re-
 sulted in friction and irritation.

A long discussion of the defense sector controversy
 then followed. The Minister said that the decision of
 the Defense Committee had caused the Shanghai Japanese
 military and naval authorities to feel that they had been
 forced by American authorities through a vote of the
 majority. The procedure of the League of Nations was
 invoked, in what he contended was a similar circumstance,
 to support the thesis of Japan that unanimity of consent
 only could govern. The failure of the American authori-
 ties to enlist the confidence of the commanding officers

of

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-

of the Japanese forces at the outset had been unfortunate, he contended. I replied that I could see no comparison between the procedure of the League of Nations to which reference had been made, and I thereupon presented to the Minister the contents of the Department's 321, August 23, 6 p.m., which referred to the vote, and which had previously been brought forth in the August 27 conversation. No meeting of minds resulted from this argument.

The Japanese Minister of War was "extremely irritated" today and was ready to instruct the commanding officer in Shanghai to suspend negotiations, said Mr. Matsuoka. The Minister of War had been dissuaded from taking action for several days while an appeal would be made to the American Government through me to reach an agreement on what he considered was a reasonable proposal. Mr. Matsuoka said that if American marines should go into Sector B, then likewise he was sure that the Japanese forces would march into the same sector resulting in a serious clash which would lead inevitably to war. To obviate that danger, an appeal was made to me. He proposed that Sectors B and D should continue at present to be in charge of the Volunteer Corps and that should apprehension arise as to peace and order, which he doubted, then the Powers interested should augment the police force with consequent satisfaction to the residents. The Minister said that augmentation of the police force as proposed by him represented only his own viewpoint. I again referred to the reasons why continued military duty of the Volunteer Corps appears impracticable. Mr. Matsuoka requested me, however, to present his views to the Department and said that he hoped that he might receive a favorable reply soon because of his doubt of his ability to restrain the War Minister indefinitely. What would

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

-3-

would happen if the negotiations were broken off was not stated.

During this conversation Mr. Matsuoka mentioned with regret the "threats" which he assumed had been conveyed in my conversation of August 27. I repeated at once emphatically the messages which had been sent to him on September 4 (our 791, September 4, 11 p.m., and 792, September 4, midnight) through the Vice Minister.

The Minister replied that the two Shanghai incidents were still regarded by him as small local events in comparison with the large issues which involve relations between the two countries. The Minister said that while he was not responsible for the many incidents which had arisen between the United States and Japan before his appointment he was nevertheless firm in his resolution to contrive a settlement as quickly as he could and he desired that his appeal to the President and Mr. Hull through me should assure them that everything within his power will be done to improve relations between our two countries and to remedy past troubles. He said that we should not take a chance of turning small incidents into sources of irritation and danger to relations between the two countries, which are sufficiently bad as it is. Mr. Matsuoka was asked what his period of office had been. His reply was "fifty days". I asked whether during this period he had become aware that reports of bombings of American property were still continually being received by me. In spite of notes sent constantly to the Foreign Office astonishment was expressed and I was asked for detailed facts, which I promised to give him shortly.

Allegations

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

-4-

Allegations of the Minister during the conversation were not passed without reply, but a forceful presentation of our case on each point discussed did not prevent my departing with a reluctant feeling of complete frustration.

J. C. G.

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

Enclosure No. 2 to despatch
 No. 5107 dated Nov. 1, 1940
 from the Embassy at Tokyo

Conversation.

September 21, 1940.

The American Ambassador, Mr. Grew,
 with the Japanese Foreign Minister,
 Mr. Matsuoka.

This morning I called on the Foreign Minister and in connection with the remarks he made to me on September 12, (reported in my 825, September 12, 7 p.m., paragraph numbered two) I read the text of the suggestion which Colonel Peck made on September 4 for the settlement of the controversy and also the two final substantive paragraphs of Shanghai's 916, September 13, 3 p.m. (which came in non-confidential code). Copies of the text and paragraphs were left with the Minister upon my departure. I told the Minister that it was my personal opinion that nothing could exceed in fairness and reasonableness the proposal of Colonel Peck as a method of settling the dispute, with any such modifications as the two parties agree to. I added that inasmuch as the proposal has not been answered by the Japanese authorities on the spot, the inference is strong that those authorities have no desire to see a settlement of the controversy. To the Minister's sense of fair play I then appealed, trusting that he would take measures to effect a settlement of this controversy, subject to any modifications which might be agreed upon. It was evident that the Minister was impressed and he said that a fair settlement of the incident would receive his closest attention.

I judged it important to let the Minister know that regardless of his September 12 statement to me, so far

as

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

-2-

as the American side is concerned the negotiations were
still in progress.

J. C. G.

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

Oral

On September 4 Colonel Peck left with his Japanese colleagues the following typewritten suggestion:

"After an exchange of greeting, Colonel Peck will say to General Miura: 'My dear General, in view of the fact that you have previously expressed your regrets that your gendarmes entered the American Sector without proper authorization and having assured me that it will not recur, I have no hesitancy in stating to you that if the Japanese military authorities feel under all the circumstances of this incident that the Japanese Army has suffered insult or loss of prestige at the hands of the United States naval service, then I wish to express my regret that such should be the case. I feel further certain that you will agree with me that in our different methods of affording protection to General Nishio on July 7 we both acted in highest good faith. I can further assure you that at no time has there been any intent to discredit the Japanese Army, for which all branches of the American services have a high regard.'

General Miura will then state: 'I wish to thank you for your expression of good will and to assure you that I also feel that in our different methods of affording protection to General Nishio on July 7 we both acted in the highest good faith. And, also, to assure you that the Japanese services reciprocate your expressions of good will. I consider the incident now closed.'

Colonel Peck will then say 'Thank you, General, I, also, consider the incident closed.'"

Admiral

DECLASSIFIED: E.O. 11652, 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-

Admiral Glassford and Colonel Peck and I have this afternoon discussed the matter and we feel that Colonel Peck's proposal is fair and reasonable and further that we would not object to such modifications as might be jointly agreed upon between General Miura or his representative.

We do not consider that negotiations in Shanghai have been finally broken off and so far as the American side is concerned there is no feeling of irritation. We have conducted our negotiations in a spirit of good will and have sought and will continue to seek a fair and reasonable settlement based however on the facts of the case. We have issued no inflammatory press statements and have done nothing so far as we are jointly aware to cause criticism of the Japanese Army or loss of prestige to the Japanese Army.

0 7 4 6

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

Enclosure No. 3 to despatch
No. 5107 dated Nov. 1, 1940,
from the Embassy at Tokyo.

Conversation.

September 25, 1940.

Mr. Hagiwara of the East Asia Bureau
of the Foreign Office, with the American
First Secretary, Mr. Crocker.

I called on Mr. Hagiwara at his request this morning. He referred to the Ambassador's conversation with the Foreign Minister on September 21 and began a review of the July 7 incident. Before he had proceeded very far I interrupted to ask what the purpose of our conversation was to be, adding that I was very much opposed to any conversations between us which could be interpreted as transferring the negotiations from Shanghai to Tokyo. I pointed out how misunderstanding had arisen in the past on this score and stated that I wished to avoid any further misunderstanding. He replied that he wished me to inform the Ambassador that Mr. Matsuoka, following their conversation on September 21, had taken the matter up with the Minister of War and had urged that steps be taken to find a solution of this troublesome matter.

Mr. Hagiwara then referred to the formula left by Colonel Peck on September 4 with his Japanese colleague and stated that in the view of the War Office here and in his own view it would be very difficult to accept Colonel Peck's formula and that the War Department and the Foreign Office greatly preferred the formula prepared on August 13 by Consul General Miura. Mr. Hagiwara then went at some length to explain to me the merits of the Japanese point of view, but I interrupted him again to state that, while I was perfectly willing to listen to a presentation of the Japanese point of view I would make no comment whatsoever, because any counter observations on my part would in fact

be

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

-2-

be in the nature of discussions and negotiations in Tokyo, something which I emphatically wished to avoid.

I then asked Mr. Hagiwara whether it was the Foreign Minister's desire to transfer the negotiations to Tokyo, and referred to our previous agreement in past conversations that such a course would be undesirable. Mr. Hagiwara finally admitted that he did not have a very clear idea of Mr. Matsuoka's desires in this matter, to which I replied that in such case I would venture to suggest that he recommend to the Foreign Minister that conversations be resumed at Shanghai, and I pointed out that the American authorities at Shanghai have stated that they would not object to such modifications of Colonel Peck's formula as might be jointly agreed upon by both sides. To this Mr. Hagiwara gave his assent.

I expressed appreciation of the Foreign Minister's action in personally interesting himself in this matter, and said that I would convey to the Ambassador the information which Mr. Hagiwara had given me.

E. S. C.

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

Enclosure No. 4 to despatch
No. 5107 dated Nov. 1, 1940,
from the Embassy at Tokyo.

The Secretary of the First Section of the East Asiatic
Bureau, Mr. Toru Hagiwara, to the American First Secre-
tary, Mr. Edward S. Crocker, on September 28, 1940.

Saturday 6 p.m.

Dear Mr. Crocker:

I am directed by Mr. Matsuoka to convey through
you his oral statement to His Excellency Mr. Grew.

I have explained to you the same the other day
and I presume the State Department has already been
informed about it.

Your sincerely,

TORU HAGIWARA

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

Oral

The formula suggested by Colonel Peck on September 4 did not meet the approval of the Japanese authorities on the spot, because in the suggested formula the regret was to be expressed only on a supposition "if the Japanese military authorities feel etc."

The Japanese Government concur with the view of the local authorities that the formula presented by Consul-General Miura on August 20 is the most adequate one for solving the matter in question. It is at least indispensable to include into the formula the phrase "deep regrets for our lack of courtesy etc."

It is the belief of the Japanese Government that if the American authorities are willing to express the frank and unconditional regrets such as the ones expressed by General Miura at the outset of the incident, there will be no difficulty in arriving at amicable solution of the matter.

The view of the Japanese Government mentioned above has been communicated to Minister Horiuchi at Shanghai.

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

Enclosure No. 5 to despatch
 No. 5107, dated November 1,
 1940, from the Embassy at
 Tokyo.

Conversation.

October 5, 1940.

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

Subject; July 7 Incident.

During the course of a long conversation today the Foreign Minister again brought up the question of the July 7 incident in Shanghai and said that after our last talk on that subject he had again strongly urged the War Minister to instruct the Japanese authorities in Shanghai to go as far as possible toward meeting our views in order to reach an early settlement of the incident. He stated that the Japanese authorities were now prepared to agree to Colonel Peck's formula of September 4 with what the Minister termed slight modifications. He then handed me a typewritten copy of the Peck formula with the proposed modifications interlined in red ink by which the first sentence of the Peck formula would read as follows:

"After an exchange of greetings, Colonel Peck will say to General Miura "My dear General, in view of the fact that you have previously expressed your regrets that your gendarmes entered the American Sector without proper authorization and having assured me that it will not recur, I have no hesitancy in expressing to you my deep regrets for our lack of courtesy in connection with the detention of Japanese gendarmes at the hands of the United States naval service. I feel certain et cetera".

The

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

-2-

The remainder of the formula is unchanged.

I said to the Minister that the proposed modification in the Peck formula still implies an admission of fault on the American side whereas the American side feels that it was not at fault, but that I would submit the proposed modification to my Government and Shanghai on the distinct understanding that the negotiations were to be pursued in Shanghai and that my efforts here were merely to facilitate those negotiations. The Minister concurred.

J. C. G.

0752

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

TELEGRAM RECEIVED

Division of
EAS EASTERN AFFAIRS
NOV 28 1940
Department of State

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

Hanoi via N. R.
Dated November 27, 1940
Rec'd 10:05 p.m.

Secretary of State, NO ORINAL 11/28/40 TD
Washington.

51, November 27, 6 p.m.

Reference my telegram No. 36, November 14, 6 p.m.

During the past week the Japanese have been actively
evacuating their troops from Tongking. Approximately
4000 remain at Langson, several thousand at Haiphong and
a substantial number at Gialiam where the Japanese continue
to construct semi-permanent structures. It is reported but
not yet confirmed that Japanese are moving a certain number
of effectives to Vietri. It is generally believed that the
Japanese will evacuate the greater part of their forces
from Tongking leaving only garrisons at strategic points
to ensure control of Tongking.

Although there had been no Japanese aviation activity
over Hanoi in recent weeks there has been a recrudescence
of such activity coincident with the Haiphong incident.
Japanese airplanes are continually flying low over this
city, possibly in an effort to intimidate the Governor
General to accept the Japanese version of the incident.

With

U - LIAISON OFFICE
NOV 28 1940
DEPARTMENT OF STATE

793.94/16337
PS/FF

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

EH -2- 51, November 27, 6 p.m. from Hanoi.

With reference to my telegram No. 45, November 24, 9 a.m. the Governor General today authorized the United Press correspondent to authoritatively deny all Domei reports concerning the expulsion of the consular personnel at Hanoi and himself.

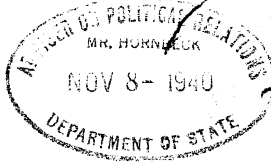
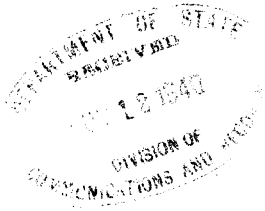
Sent to Cavite for repetition to the Department, Chungking, Peiping, Hong Kong, Shanghai.

REED

EMB

0754

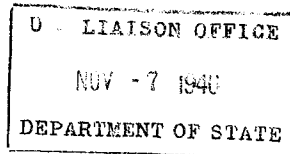
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



Handwritten initials: ALB, H

793.94 / 16337 1/3

FILED
JAN 25 1941



STATE
FROM OP-18

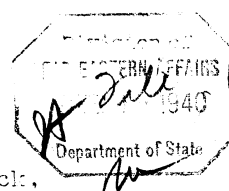
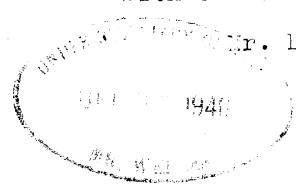
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

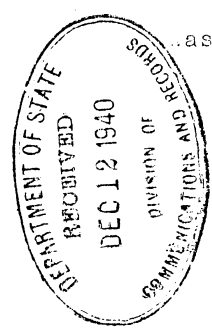


793.94/16332 2/3

With the Compliments of
Mr. Butler.



Mr. Stanley E. Hornbeck,
United States Department of State,
Washington, D. C.



FILED

JAN 25 1941

5th December, 1940.

0756

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

291

Extract from telegram from London
dated 30th November, 1940.

Far East.

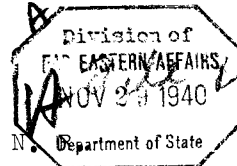
It appears that the object of the Japanese Ambassador's discussions in Moscow may be the enlistment of Soviet mediation in securing peace in China secondly the conclusion of a non-aggression pact. On November 29th, the vice-Minister for Foreign Affairs informed His Majesty's Ambassador at Tokyo that nothing had yet resulted from them. The Chinese Minister for Foreign Affairs has informed His Majesty's Ambassador at Chungking that the Soviet Ambassador has assured Chiang Kai Shek that Soviet Policy towards China remained unchanged, and that regular military supplies from Russia will be forthcoming, and the Vice Commissioner for Foreign Affairs told the Chinese Ambassador at Moscow that the Soviet Government do not intend to make a non-aggression pact with Japan.

793.94/16337 2/3 7/19/41

0757

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

TELEGRAM RECEIVED



EH

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

Canton via N.

FROM Dated November 28, 1940

Rec'd 9:31 p.m.

Secretary of State,

Washington.

109, November 28, 2 p.m.

Reference Chungking's November 13, noon.

No new developments during the past week.

Sent to the Department, repeated to Chungking, Peiping,
Hong Kong.

MYERS

EMB

Withdrawal of Japanese military forces.

733.54/16738

PS/FF

FILED
DEC 2 - 1940

0758

DECLASSIFIED: E.O. 11652, 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

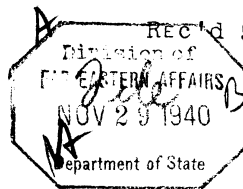
This telegram must be
 closely paraphrased be-
 fore being communicated
 to anyone. (br)

Nanking via N. R.

FROM

Dated November 28, 1940

SUBSTANCE COMMUNICATED ORALLY
 TO UNI AND MID 11/30/40 70
 Secretary of State,
 Washington.



124, November 28, noon.

The following rumors current here, although without the slightest substantiation, are cited as indicative of the general uncertainty and lack of confidence in the local authorities on the part of the Chinese population: (1) The Chinese new Fourth Army is about to enter the city and the Japanese troops now here may be expected to run amuck before withdrawing. (2) Immediately upon the signature of the treaty on November 30, all Japanese military units will leave here; however, the Japanese military forces already made arrangements with the Chinese forces for orderly entry and occupation. (3) Wang and most of his entourage are going to Peiping shortly to function as a government there.

Air raid alarms the last two nights, presumably for practice, have done little to ease the popular tension.

Sent to the Department. Repeated to Chungking, Peiping and Shanghai.

PAXTON

TFV

793.94/16339

PS/FF

RECEIVED
 NOV 29 1940

0759

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

282 S
DEPARTMENT OF STATE FE
DIVISION OF FAR EASTERN AFFAIRS DCR

December 3, 1940.
Division of

FAR EASTERN AFFAIRS

Department of State

S
Mr. Secretary:

There is attached a revision of the memorandum which I handed you yesterday in which there is set forth an analysis of the treaty signed between Japan and the Wang Ching-wei regime at Nanking on November 30.

7.7.4

FE:MMH:HES

100-94/16339

0760

DECLASSIFIED: E.O. 11652, 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 treaty signed between Japan and the Wang Chingwei regime at Nanking on November 30, together with the accompanying protocol, terms of understanding and joint declaration, clearly indicate that Japan intends to occupy the same position in relation to the Wang Chingwei regime as it occupies in relation to "Manchukuo". The provisions of the documents in question are so vague in general as to allow Japan full freedom of action in China.

In the economic field the documents provide for close economic cooperation between China and Japan for the purpose of complementing each other and ministering to each other's needs. Japan is given broad rights in the development of China's mineral resources and provision is made for the two countries to take all necessary measures to promote trade and to rationalize the demand and supply of goods between the two countries. Provision is also made that "the two countries shall extend especially close cooperation with respect to the promotion of trade and commerce in the lower basin of the Yangtze River and the rationalization of the demand and supply of goods between Japan on the one hand and north China (Inner Mongolia) and Mengchiang on the other."

Provision

JUN 8 1943

FILED

Confidential File

77735.94/16339

DECLASSIFIED: E.O. 11652, 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-

Provision is also made that the Government of Japan shall abolish extraterritorial rights possessed by Japan in China and shall render to the latter its concessions; and that the Government of China shall open its territory for domicile and business of Japanese subjects.

In the military field Japan is given full freedom of action throughout China for the duration of the present hostilities. Provision is made for the evacuation of Japanese forces to commence when peace is restored in China (presumably to be decided upon by Japan) and to be completed within two years of the firm establishment of peace and order, with the exception of Japanese troops to be stationed in China in accordance with the treaty. The treaty provides that "Japan shall, in order to carry out the defense against Communist activities through collaboration of the two countries, station forces in specified areas of Mengchiang and of north China for the necessary duration, in accordance with the terms to be agreed upon separately". Provision is also made for the stationing by Japan of naval units and vessels in specified areas within the territory of the Republic of China in accordance with the terms to be agreed upon separately between the two countries.

A

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

-3-

A provision which gives Japan freedom to take practically any action that she may wish is a clause providing that "China", Japan, and "Manchukuo" will bring about "general cooperation on a reciprocal basis among the three countries, especially a good neighborly friendship, common defense against communistic activities, and economic cooperation, and for that purpose will take all the necessary measures in every direction".

The setting up by Japan of a regime in China under its control and the conclusion by Japan of a "treaty" with that regime is in itself a violation by Japan of its obligations under the Nine Power Treaty. Also, the clauses of the treaty which give Japan a preferential position infringe obligations assumed by Japan in the Nine Power Treaty and, if carried into effect, would deprive the United States of rights assured under the most-favored-nation provisions of the treaties between the United States and China (including the multilateral Nine Power Treaty).

076

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

TELEGRAM RECEIVED

EH

This telegram must be _____ Amoy via N. R.
closely paraphrased be-
fore being communicated **FROM** Dated November 29, 1940
to anyone. (br)

Rec'd 9:05 p.m.

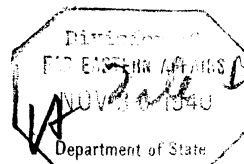
Secretary of State,

Washington.

11/30/40

47, November 29, 3 p.m.

Chungking's November 13, noon.



ONE. Chinese rumors of withdrawal which are in any event subsiding were seemingly contradicted during the past week by the following Japanese activities: the fetching by a high ranking naval officer in company with the Consul General of a god from Formosa to inhabit the newly constructed shrine in Amoy; the reopening of a tungsten mine on Amoy island operated by Chinese prior to the occupation; the opening of a (?) on the island of Quemoy for the manufacture of porcelain which had been held in abeyance by the Chinese villagers pending a favorable disposition of the Fengshui; and the commencement of the construction with impressed labor of an air field on the island of Quemoy.

Sent to the Department, Chungking and Peiping.

Repeated to Canton, Hong Kong, Hankow, Swatow.

MERRELL

EMB

757.94/10240

25/30

DEC 2 - 1940

FILED

0 7 6 4

Division of
FOREIGN AFFAIRS
DEC 2 - 1940
Department of State

FROM

Dated November 29, 1940

REC'd 10 a.m. DEC. 1.

Washington

1325, NOVEMBER 29, 4 p.m.

79374
701
124.946

"The Embassy has been informed that there is no

The code text of Tokyo's 1133 November 12, 1 p.m.

LOCKHART

DDW

FILED
DEC 6-1940

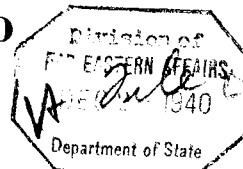
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0765

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

Z
 4-1

TELEGRAM RECEIVED



FROM

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

Peiping via N.P.R.

Dated November 29, 1940

Rec'd 10:23 a.m., 30th.

12/1/40 2D

Secretary of State,

Washington.

497, November 29, 4 p.m. 16194

Peiping's 341, September 23, 3 p.m.; activities of
 the Eighth Route Army.

An American correspondent here has received the
 following information from Chinese sources which have
 hitherto proved reliable: a Japanese hospital train with
 many wounded from Shansi was partly wrecked by a mine
 on the night of November 17 north of Paoting, and the
 following night a Japanese military supply train of 41 cars
 was dynamited some miles north of the first wreck.
 Eighteen Chinese village head men in the vicinity were
 subsequently roped to trees and bayoneted by the
 Japanese. On the night of November 24 a train was wrecked
 by a mine between Nankow Pass and Kalgan traffic being
 halted for two days. END OF SECTION ONE.

SMYTH

WWC

RECEIVED
 DEC 7 1940

793.94/16342

PS/D

0766

DECLASSIFIED: E.O. 11652, 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

PAW

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

FROM

PEIPING VIA N.R.

Dated November 29, 1940

Rec'd 10 a.m. Dec. 1.

Secretary of State

Washington

497, November 29, 4 p.m. (SECTION TWO)

A local British correspondent states that the Eighth Route Army has recently been active along the Peiping-Jehol railway cutting traffic several times in the mountains.

The activities of the Eighth Route Army reported above may be the forerunner of the operations predicted by the informant mentioned in Peiping's telegram under reference although the differences between the Central Government and the Fourth Route Army (?) Communist arising out of the Government's demand for the transfer of the Fourth Route Army north of the Yangtze may postpone any widespread and coordinated military operations by the Eighth Route Army in North China.

Sent to the Department, repeated to Chungking, Shanghai, code text by air mail to Tokyo. (END OF MESSAGE)

SMYTH,

GW

0767

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

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學 大 京 燕
 YENCHING UNIVERSITY
 PEIPING, CHINA
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 American Office
 150 Fifth Avenue
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November 16, 1940

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

My dear Mr. Hamilton,

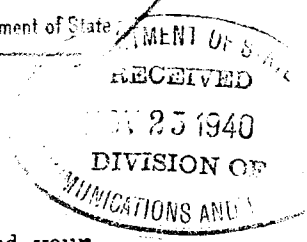
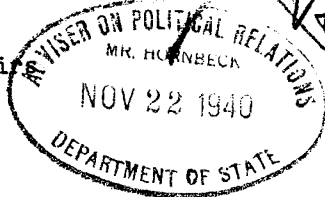
We enclose for the information of yourself and your
 colleagues in the department a copy of a confidential letter
 written by President Stuart under date of September 28.

Very sincerely yours,

B. A. Garside

Secretary

BAG:MS
 Enclosure



793,94/16343

PS/D

NOV 25 1940

FILED

16343

DECLASSIFIED: E.O. 11652, 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

September 28, 1940

This is written on the day of the announcement of the German-Italian-Japanese pact. Secretary Hull is quoted as remarking that this has really made no change in the general tense situation, and on the whole I concur. But, by a curious circumstance, I had planned to record today certain reflections which have become in part superfluous, in other aspects accentuated, by this news. The Japanese Government has apparently been divided for some time as to this as against a more moderate policy, and once again the headstrong (and now somewhat desperate) military extremists have won.

The savage brutality and technique of deceit employed by the Nazi leaders in their lust for conquest must have helped you to understand much that you have read of Japanese aims and methods more vividly than might otherwise have been possible. Unrestrained aggression would seem to follow the same general patterns whether the age be ancient or modern, and whatever the cultural heritage of the plundering nation. To this extent, it has now become less necessary for us who are living in the midst of the barbarities of Japanese invasion to interpret to you its hatefulness and horror.

Another consequence of this alliance is to reveal more convincingly the solidarity of our modern human life in its common woes and welfare. Peace is indeed seen to be indivisible. American aid to Britain or to China, or the withholding of it to either, has repercussions which we cannot escape. Nor can we any longer concern ourselves as to the fate of either alone. The fate of both depends to a sobering degree upon our action, and with them the fate of freedom, democracy, and all the higher values of life for ourselves and all mankind. Nor need we fear whatever positive action is required either on moral or material grounds. The former are fortunately more clearly defined than is usually the case in international conflicts and the latter will be more greatly endangered by timid evasion or postponement. Our only reservation need be in regard to the use we intend to make of the peace which must some day be attained when at last there are no further threats from the exponents of lawless force.

Recent happenings also emphasize the asset a free and independent China can be in the struggle against modern forms of irresponsible autarchy. Encouraged to believe that her struggle is sympathized with by other peoples holding similar ideals, and that international relations based on reason and right are not a chimerical delusion, China can become of enormous value in helping to maintain all that we once struggled for in the weakness of our colonial beginnings and for which we passionately support England now in her heroic resistance. This day which began with the news of the axis alliance has also brought wireless reports of the immensely heartening effect upon Chinese morale from the latest American loan and the intensified embargo against Japan. Even from the most selfish motives of national peace or protection in the not-distant future these after all very slight forms of assistance to this suffering country are abundantly worth while. If, as seems increasingly probable, we must assert ourselves more actively in helping to halt the

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

2.

September 28, 1940

now united aggressor nations, all that we do for China or against Japan will have direct influence in Europe.

Now a few words as to the bearing of all this upon our University. In a certain sense Yenching may serve as an epitome of what is happening in our contemporary world. We have been carrying on under precarious protection from the unexpectedly successful Chinese resistance thus far and from the Japanese fear of America. If either of these ceases, we are doomed. Any permanent Japanese domination means not only our inability to function, but the destruction in this whole vast area of the freedom, or even of the desire for freedom, which is a pre-requisite to all else for which we exist. This could not have been so categorically asserted before the disclosures of Nazi and Japanese ambitions. Our survival, on the other hand, serves to nurture in our own students and in a far wider range of influence these principles which we all now cling to with an intensity generated by the awareness of what human life becomes under totalitarian rule. All else for which Yenching was originally created holds as true and precious as ever, but reinforced by these special warnings from the no longer questionable philosophy of the axis nations.

If Yenching, or any of those connected with her, suffer because of our witness to freedom and truth as against their only present-day alternatives, it will be in a supremely worthy cause. If American participation in this determined endeavor to preserve elemental human rights brings temporary disaster to the University, we gladly accept our fate as better than any safety secured by cowardly compromise or even baser inaction. If we survive, we should do our utmost to contribute toward reconstruction in China and happier relations between her and Japan in accord with the same ideals which compel us now to oppose the utterly evil thing which manifests itself in this latest triple alliance through their use of organized force and falsehood to exploit the victims of their aggression. It will therefore add to the concern with which you watch the consequences to us of these cosmic forces to think of Yenching University as dramatizing in a concrete situation the conflict of two irreconcilable philosophies the outcome of which will decide the destiny of our race during the coming period of history.

0770

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

In reply refer to
FE

My dear Mr. Garside:

I acknowledge the receipt of your letter of
November 16, 1940, enclosing a copy of a confidential
letter dated September 28, 1940, from Dr. J. Leighton
Stuart.

Your courtesy and thoughtfulness in sending us a
copy of Dr. Stuart's letter is much appreciated.

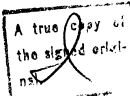
Sincerely yours,

79344
Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs

Mr. B. A. Garside,
Secretary, Yenching University,
150 Fifth Avenue,
New York, New York.

H77
FE:MPF:FRM/MHP GR FE
11/19 11/20/40

NOV 23 1940PM



0771

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

293

DEPARTMENT OF STATE

RECEIVED
Memorandum of Conversation

DER
5

NOV 26 1940 AM 11 40

DATE: NOVEMBER 26, 1940.

SUBJECT: MONETARY ASSISTANCE TO CHINA

PARTICIPANTS: SECRETARY HULL, THE CHINESE AMBASSADOR,
DR. HU SHIH, AND DR. T. V. SOONG

COPIES TO:

The Ambassador of China, accompanied by Dr. T. V. Soong, called at his request. I inquired about the situation in Asia, and the Ambassador replied that the Chinese were holding up well thus far. He stated that they urgently needed airplanes and money. The Ambassador then turned the matter over to Dr. Soong, who gave a detailed statement of the situation.

Dr. Soong proceeded to point out the disadvantage of his country continuing without fighting planes in the face of an entirely overwhelming air control by the Japanese. He said that it was discouraging to his people and to the soldiers; that it was not intended to enter upon

757.24/16244

20/30

FILED
NOV 26 1940

16349

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

284

-2-

upon a one or two years' aircraft program of development, but that having 400 well-trained pilots and not over 400 planes of every description, with 400 other pilots who could be trained further and well, it was all-important to have at least a reasonable number of fighting planes for these pilots to resist Japanese attacks. Dr. Soong added that Russia had sold them some planes, but that they were wholly inadequate and that China can only look to the United States at present, England being entirely preoccupied with her own necessities.

Dr. Soong then said that they needed two or three hundred million dollars for the purpose of monetary rehabilitation as a nucleus on which to base contracts for airplanes and other weapons, including anti-aircraft guns.

He said that Japan was withdrawing her troops from many areas and stationing them in central cities with a view to entering on a campaign in the South Sea countries. He seemed to feel no doubt about this purpose and plan on the part of the Japanese and gave this as a reason for Japanese troop movements and readjustments in China.

He asked that we urge Great Britain to enter some sort of special arrangements with China for the general purposes which are well known. I made no commitment on this phase.

I expressed sympathetic interest regarding the air-
 plane

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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-

285

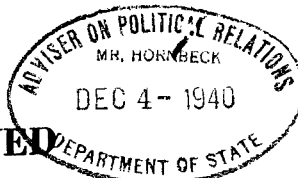
plane situation and also regarding the question of a further monetary loan. I said that, of course, this country does not engage in any kind of alliances in wartime, much less to make commitments to send its Army and Navy into military activities abroad.

C.H.

S CH:MA

0774

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

FROM

Chungking via Hong Kong & N

Dated November 27, 1940

Rec'd 8:28 a.m., 30th.

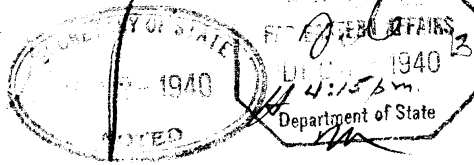
Secretary of State,

Washington.

587, November 27, 9 a.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

The appeal set down in my telegrams Nos. 520, 568, 579, and 581, sent during October and November, seems to me to be the appeal of a man who has lost confidence in his ability to contend longer with a domestic situation which he feels he cannot control. If not it would seem to be the plea of a man who, feeling the urgent need of help from abroad and seeing the United States preparing to lend assistance to Great Britain whose struggle he feels is linked inseparably with that of China in resisting the efforts of the predatory axis nations to establish a new world order in their own interests, turns to the United States for concrete assistance at the earliest possible date in order to ameliorate to the greatest possible extent the hardships and sufferings which his people have now endured for forty months. He has almost from the beginning of the present conflict held up to his people the probability



793.94/16345

PC/D

1941 file

913.74

711.95

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

288

-2- #587, November 27, 9 a.m., from Hong Kong.

probability of the United States and Great Britain's ultimately coming to China's assistance, he feels that he has now virtually exhausted the strength of his nation and people in a desperate struggle against aggression which he conceives has been fought as much in the interest of Great Britain and the United States as in those of China and having done all this, he now feels that it is time that the United States came to his assistance in its own interests if not in those of China.

In the military field the Chinese armies while putting up a strong and stubborn resistance have been forced to yield to the invader the coast ports and all communications leading from the interior to those ports. There is but one main outlet left and that is subject to constant bombing. Up until August of this year the Chinese could put a number of planes into the air which could worry the Japanese bombers. Since then they have been unable to compete in the air with the newer and swifter planes which the Japanese have introduced and all Chinese planes are grounded. They have little hope of getting newer and swifter planes that can meet the Japanese planes on any basis of equality except from the United States.

In .

0776

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

299

-3- #587, November 27, 9 a.m., from Hong Kong.

In the financial field Chinese reserves of foreign exchange are virtually exhausted. Inflation has started speculation in consumer goods and, locally in rice, driving prices to a point where the morale of minor government employees on small salaries is hard to maintain. This of course has increased the feeling of discontent with the regime which has been dominated by the Soong family headed by Dr. Kung who, if talk among minor officials and bankers is to be believed, is vacillating and hesitant as to what may be done while numerous proposals are being offered and discussed for dealing with the question of rice hoarding and speculation. No one seems to be willing to assume the responsibility of taking any drastic action and plans proposed run all the way from abandonment of all restrictions on buying and selling of food to seizure of all stocks in the hands of farmers and private speculators.

Unwillingness of the government to take a stand in this matter and the obvious failure of measures such as have already been taken tend to break down confidence in government leadership leaving Chiang in a position where he is trying to revive domestic confidence through concrete evidence of continued foreign confidence. For this he feels that he has no place to look except to the United States and Great Britain.

Local price conditions are not due to any lack of
food

0777

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

290

-4- #587, November 27, 9 a.m., from Hong Kong.

food supplies. It is hardly to be expected that the Government can do anything directly to control prices among a people who have never been subjected to the kinds of regimented control that we know and practice in the west. High prices are merely a result of currency inflation and a scarcity of consumer goods ordinarily needed by the farmers in their daily lives, goods that have hitherto been supplied from regions down the Yangtze, such as cotton yarns and cotton goods.

I know of no (repeat no) way in which we can ameliorate this situation. Part of the difficulties will solve themselves when supplies slowly find their way into this area by the ancient methods of distribution over the passes that have existed through the years. The evils of currency inflation cannot be helped from without and it is difficult to see what can be done about them now from within.

China with nothing left but the products of her soil and the labor of her people to exchange for goods needed from other countries faces the unpalatable fact that, if developments continue in the direction which they have been following under Japanese initiative this exchange can only be effected through Japanese hands in payment for the products of Japanese labor and the cost of Japanese police maintaining

0778

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

291

-5- #587, November 27, 9 a.m., from Hong Kong.

maintaining Japanese control over trade routes and
business.

Under these circumstances I shall not go directly to Chiang
Chiang with the comments contained in Department's 196,
November 25, 7 p.m., but at some suitable opportunity
shall communicate them to the Minister for Foreign Affairs.

Code text by air mail to Hong Kong for transmission
to the Department by cable.

JOHNSON

CSB

0779

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

EH

TELEGRAM RECEIVED

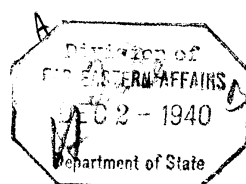
Peiping via N. R.

FROM Dated November 30, 1940

Rec'd midnight December 1.

COPIES SENT TO
 O.N.I.A. 12/2/40 REK

Secretary of State,
 Washington.



498
 500, November 30, 4 a.m.

At 8:50 a.m., November 29, a mounted Japanese soldier of unknown rank was shot, not fatally, in front of the premises of the Oriental Missionary Society, an American organization near the Lir Tower Peiping. The American missionary in charge was questioned courteously by Japanese gendarmes but the compound was not searched.

At about 2 p.m. the same day, the Japanese lieutenant colonel on horse back on Hatamen Street in northeast Peiping was shot and killed and his mounted orderly wounded. All city gates were immediately closed and are not yet reopened and as the house to house search was instituted, it is thought that the assailant escaped. Further details are not available at present.

United Press and Associated Press messages concerning the second incident were stopped by the Japanese military censor.

It
 DEC 4 - 1940
 FILED

733.94/13346

PS/D

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

EH -2- 598, November 30, 4 a.m. from Peiping.

It was learned last night that two days ago a Japanese gendarme officer was shot and killed in Peiping. These three incidents are the first of their kind in Peiping for some time.

Sent to the Department. Repeated to Chungking, Shanghai and to Tokyo by airmail.

SMYTH

NK

0781

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

TELEGRAM RECEIVED

HSM
 This telegram must be
 closely paraphrased
 before being communi-
 cated to anyone. (Br.)

FROM

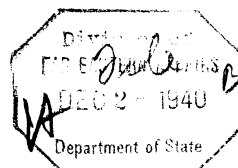
Swatow via N. R.

Dated December 2, 1940

Rec'd 2:58 a. m.

TO CHUNGKING 12/3/40 JD

Secretary of State,
 Washington.



34, December 2, noon.

Reference Chungking's November 13, noon.

During the past week an unusual number of trans-
 ports have been in port and considerably more soldiers
 have been evident in the city. It is generally believed
 that the local garrison has been increased.

Sent to the Department. Repeated to Chungking,
 Peiping, Hong Kong, Canton, Amoy, Hankow.

FORNES

WWC

793.94/16347

PS/D

FILED
 DEC 7 - 1940

0782

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

TELEGRAM RECEIVED

CORRECTED COPY



JR

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

FROM

Chungking via N. R.
 Dated December 1, 1940

Rec'd midnight

Secretary of State
 Washington.

DEPARTMENT OF STATE
 RECEIVED

596, December 1, 5 p.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

One. I went this morning to call on Chiang Kai-shek at his request. While with him I took the opportunity of communicating to him the substance of the Department's 196, November 23, 7 p.m. He thanked me for the message and commented that he had seen no (repeat no) sign of improvement in German-Russian or in Russo-Japanese relations since Molotov's trip to Berlin but believed that on the contrary there had been a slight deterioration in the relationships of the countries concerned. The General then made the significant statement that during the past two weeks the Soviet Russian attitude vis-a-vis China "had changed for the better."

Two. The Generalissimo said that he was much gratified to learn of President Roosevelt's action in granting a further credit of \$100,000,000 to China and Secretary

Hull's

E. 792.94/10343

FILED

PC/20

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

-2- #596, December 1, 5 p.m., from Chungking.

Hull's announcement to the press that the United States would continue to recognize the legally constituted Government at Chungking and remarked that the United States had shown its true friendship by extending a helping hand at a time when China is in critical need of assistance.

Three. In a brief discussion of the Japanese action in recognition of the Wang regime, General Chiang remarked that it is his belief that the act was the result of German instigation and that without German persuasion Japan would not (repeat not) have recognized the Nanking organization. He then expressed the opinion that the Germans and the Japanese "must have a military plan for the carrying out of Japan's policy of southward expansion" and that Japan may be expected to make a move in the region of the South Seas in the near future.

Four. Chiang then requested that I transmit a message whether it would be possible for the American Government to make a formal announcement of its intention not (repeat not) to recognize the puppet regime at Nanking, remarking that if the American Government would issue such a pronouncement and incorporate in it the principles which he had recently communicated to the Government of the United States (see (a) paragraph numbered 3 of my 568, November 9, 5 p.m.) such action would prove of great benefit

0784

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

-3- #596, December 1, 5 p.m., from Chungking.

I replied that I would transmit his request to the Secretary of State and I added that as soon as I received the text of the statement the Secretary of State is reported to have made to members of the press in regard to the intention of the American Government to continue to recognize the Chinese Government at Chungking I would expect to communicate it to him.

Five. In reply to an inquiry from the General, I informed him that apart from the two messages already communicated to him I had received nothing further in response to the proposals recently advanced by him to the American Government.

Six. He also inquired if I had received information in regard to any views that the British Government may have expressed to the American Government respecting his proposals. I replied that I had no information on that subject. He then suggested that if the American Government could see fit to urge the British Government to take a constructive position it might prove helpful. I concluded the conversation by saying that I would communicate his suggestions to my Government.

Sent to the Department only.

DDM

JOHNSON

0785

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

392

TELEGRAM RECEIVED

HSM

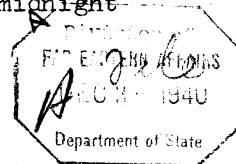
This telegram must be closely paraphrased before being communicated to anyone. (A)

FROM

Chungking via N. R.

Dated December 1, 1940

Rec'd 12 midnight



Secretary of State,

Washington.

596, December 1, 5 p. m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

One. I went this morning to call on Chiang Kai-shek at his request. While with him I took the opportunity of communicating to him the substance of the Department's 196, November 23, 7 p. m. He thanked me for the message and commented that he had seen no (repeat no) sign of improvement in German-Russian or in Russo-Japanese relations since Molotov's trip to Berlin but believed that on the contrary there had been a slight deterioration in the relationships of the countries concerned. The General then made the significant statement that during the past two weeks the Soviet Russian attitude vis-a-vis China "had changed for the better".

Two. The Generalissimo said that he was much gratified to learn of President Roosevelt's action in granting a further credit of \$100,000,000 to China and Secretary

Hull's

793.94/16348

Re/D
Confidential File

71
61
121
201
761
892
01

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

293

hsm -2- No. 596, December 1, 5 p. m., from Chungking

Hull's announcement to the press that the United States would continue to recognize the legally constituted Government at Chungking and remarked that the United States had shown its true friendship by extending a helping hand at a time when China is in critical need of assistance.

Three. In a brief discussion of the Japanese action in recognition of the Wang regime, General Chiang (?) it is his belief that the act was the result of German instigation and that without German persuasion Japan would not (repeat not) have recognized the Nanking organization. He then expressed the opinion that the Germans and the Japanese "must have a military plan for the carrying out of Japan's policy of southward expansion" and that Japan may be expected to make a move in the region of the South Seas in the near future.

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I

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

394

hsm -3- No. 596, December 1, 5 p. m., from Chungking

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Six. He also inquired if I had received information in regard to any views that the British Government may have expressed to the American Government respecting his proposals. I replied that I had no information on that subject. He then suggested that if the American Government could see fit to urge the British Government to take a constructive position it might prove helpful. I concluded the conversation by saying that I would communicate his suggestions to my Government.

Sent to the Department only.

JOHNSON

DDM

0788

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

PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

296

TO BE TRANSMITTED
☒ CONFIDENTIAL CODE
☐ NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN
 "A"

Collect (Full rate
 Day letter
 Night letter)

Department of State

Charge Department in confidential Code.

It should rate carefully established before

Day letter

Night letter

Charge to

\$

AMEMBASSY,

1940 DEC 10 PM 4 59

Washington, / 0
 December 8, 1940.

5 PM

CHUNGKING (CHINA) VIA NAVAL RADIO.

202

Your 596, December 1, 5 p.m., and previous.

CONFIDENTIAL FOR THE AMBASSADOR.

On December 4 officers of the Department, under instruction, made informal comment to the Chinese Ambassador and Mr. T. V. Soong on various of the points raised by Chiang Kai-shek. The Department will expect to send you by air mail a more complete account. Also, ^{some} discussions of the said points ^{has} taken place in conversations between officers of the Department and officers of the British Embassy. ^{authorizes you} The Department ^{suggests} that ⁱⁿ your discretion ^{to} you inform the Generalissimo either directly or indirectly through an appropriate channel of ~~these facts~~ ^{any part or all of the above.}

793.94/16348

FE:MMH:HES

FE

PA/H

OR

DEC 10 1940

Enciphered by _____

Sent by operator _____ M., _____, 19____

793.94/16348

FS/JI

0789

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

14

TELEGRAM RECEIVED

HSM

GRAY

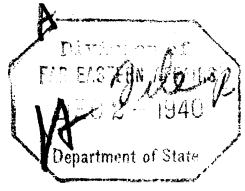
FROM

Shanghai via N. R.

Dated December 1, 1940

Rec'd 12 midnight

COPIES SENT TO
12/2/40 REC



Secretary of State,
Washington.

1334, December 1, 11 a. m.

793.4
An unidentified gunman fired on three Japanese gendarmes, seriously wounding one of them yesterday afternoon off Great Western Road. The area in which the shooting occurred was promptly blocked off and thorough searching instituted. This situation still prevails today.

Sent to the Department. Repeated to Chungking and Peiping. By air mail to Tokyo.

LOCKHART

PEG

793.94/16349

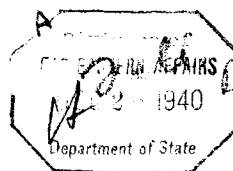
PC/D

FILED
DEC 4 - 1940

0791

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

TELEGRAM RECEIVED



JR

FROM

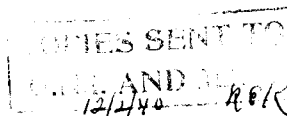
GRAY

Hankow via N. R.

Dated December 2, 1940

Rec'd 2:55 a.m.

Secretary of State,
Washington.



December 2, 9 a.m. (SECTION ONE).

On November 24 Japanese began much publicized northern offensive to east and west of Han River, in four columns, as follows: north from Tangyang, Kuigmen and Chungsiang and northwest from Suihsien with other forces along Anlu-Suihsien Road. Having advanced up Han River to point approximately half way between Chungsiang and Iching, Japanese military yesterday announced offensive had nearly concluded, that Chinese had suffered heavy losses and retreated to Tsaoyang and Fancheng-Siangyang areas which have been heavily bombed during past few days. (END SECTION ONE).

Sent to Chungking. Repeated to Department, Peiping, Shanghai.

SPIKER

PEG

793.94/16350

PS/D

DEC 1 1940

FILED

0791

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

JR

TELEGRAM RECEIVED

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

Hankow via N. R.

FROM

Dated December 2, 1940

Rec'd 3 a.m.

Secretary of State,
Washington.

December 2, 9 a.m. (SECTION TWO).

Japanese operations appear to have been chiefly
defensive to relieve increasing pressure by Chinese forces
operating in large pocket bounded by cities named.
Japanese military have made obvious efforts to publicize
and play up importance of campaign. There are rumors that
further shortening of Japanese lines may follow this
temporary advance. Both sides claim heavy losses
inflicted on enemy.

Sporadic fighting continues in immediate vicinity
of Fchang and Shasi where Chinese hold south bank of
river and threaten from the north Japanese lines of
communication. Recent Chinese pressure from the east
has led to marked strengthening of Japanese forces
operating eastward from Hwangpei near Hankow and driving
eastward in Honan from Sinyang toward Loshan. Little
change elsewhere in front line where Japanese hold
strategic points while guerrillas filter in and operate
in surrounding territory.

Sent to Chungking. Repeated to Department, Peiping
and Shanghai. ~~From~~ FROM HANKOW

BTG

SPIKER

0792

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

TELEGRAM RECEIVED

FROM

HSM
 This telegram must be
 closely paraphrased
 before being communi-
 cated to anyone. (Br.)

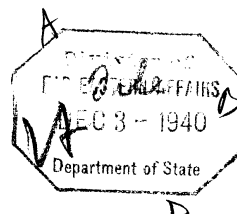
Hong Kong via N. R.

Dated December 2, 1940

Rec'd 11:26 a. m.

SUBSTANCE COMMUNICATED ORALLY
 TO GEN AND SEC 12/3/40 SD

Secretary of State,
 Washington.



451, December 2, noon. 16353

In continuation my 442, November 25, noon.

During the past week this office has obtained no
 reliable information that there have been Japanese
 military movements of significance in the Hong Kong
 area.

Sent to the Department. Repeated to Chungking,
 Canton and Peiping.

SOUTHWARD

TFV



FILED
 DEC 7 1940

793.94/16351

0793

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

TELEGRAM RECEIVED

EH

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

FROM

HANKOW
~~Canton~~ via N. R.

Dated November 30, 1940

Rec'd 2:16 p.m.

12/3/40 ID
Secretary of State,
Washington.

85, November 30, 11 a.m.

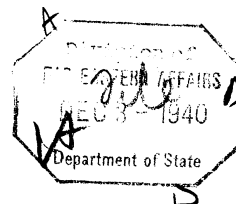
Reference Chungking's circular telegram of November
6, 10 a.m. and my November 23, 11 a.m.

No evidences during week of withdrawal from this area.

Sent to the Department. Repeated to Chungking,
Peiping and Shanghai.

SPIKER

EMB



733.94/16352

DEC 3 - 1940

FILED

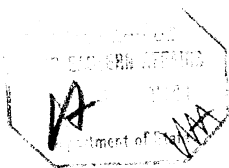
PS/CC

0794

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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
 INTERNATIONAL COMMUNICATIONS

FE
 Mr Adams



As of possible interest.

RECEIVED
 DEPARTMENT OF STATE

FdeWolf
 1-2-41



DIVISION OF FAR EASTERN AFFAIRS
 JAN. 5, 1941.

GA:
 WA:

Reference attached letter
 of Dec. 26 from Mr. Lauffen
 to Mr. Wolf.
 There could seem to be some
 question of legitimacy in this
 of discrimination against
 foreign telecommunication stations.
 U.S. imposes restrictions
 telecommunication stations
 and the like.

Reference letter of
 interest to Mr. Wolf
 and Mr. Hornbeck.



FE: Adams

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 5, 1940

GA
 WA

Chungking's 701, November 18,
 1940, encloses a translation of
 General Chiang's message to
 the people and the army on
 October 10.

The speech was satisfactorily
 summarized in Chungking's telegram
 No. 512, October 10, 1 p.m.

JD
 FE: Davies

0795

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 701.

Chungking, November 18, 1940

Subject: Transmitting Text of General Chiang Kai-shek's Message of October 10, 1940.

Air mail

RECORDED 2 AM 10 19

COMMUNICATIONS
AND RECORDS

K
D-144

COMMERCIAL AFFAIRS
Department of State

NOV 17 1940
DIVISION OF
COMMUNICATIONS
& RECORDS

The Honorable

The Secretary of State,
Washington, D. C.

ONI-MID

CH
JAC

Sir:

1/ With reference to my telegram no. 512, October 10, 1940, transmitting a brief account of General Chiang Kai-shek's message to the people and armed forces of China on the occasion of the "October 10" anniversary, I have the honor to enclose herewith copies of the full text in English translation of General Chiang's message which I have received from the China Information Committee of the Central Publicity Board.

I believe that this - General Chiang's most recent public pronouncement of Chinese attitude and policy - is of especial interest in the light of the recent conversations I have held with him.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson

Enclosure:

1/ English text of message, as above.

Original by air mail
Four copies by air mail via Hong Kong
Copy to Peiping
Copy to Tokyo
800 China
EFD:MCL

RECORDED
NOV 18 1940

0796

DECLASSIFIED: E.O. 11652, 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. 701 dated November 18,
1940 from American Embassy at Chungking on subject of
"Transmitting Text of General Chiang Kai-shek's Message
of October 10, 1940".

0797

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

NEWS RELEASE

With the Compliments of

THE CHINA INFORMATION COMMITTEE

P. O. Box 107, Chungking, China.

No. 854 October 15, (Tuesday), 1940. PP. 4984-4990

CONTENTS

GENERALISSIMO CHIANG KAI-SHEK'S MESSAGE
TO THE ARMY AND PEOPLE ON OCTOBER 10, 1940.. 4984

GENERALISSIMO CHIANG KAI-SHEK'S MESSAGE
TO THE ARMY AND PEOPLE ON OCTOBER 10, 1940

In his anniversary message to army and people for the Double Tenth, Generalissimo Chiang Kai-shek dwelt on China's sense of responsibility for Asiatic peace and well-being. Resistance was her way of fulfilling that responsibility, he wrote. During the period of nearly thirty years since the Republic came into being China had endured all manner of internal troubles engineered and fomented in secret by the enemy with whom she was now at open issue. Japan was continuing to rush upon her own ruin, impelled by an obsession and lust for conquest of which nothing but defeat would rid her. The Japanese motive behind the Triple Alliance, General Chiang thinks, is their urgent desire to bring the "China Incident" to a close. China, however, will be led by no threat or trick whatsoever to swerve a hairs-breadth from her purpose. "Any country recognizing Japan's right to a 'leading role in a new order for Eastern Asia' will, I unhesitatingly declare, come eventually to regret having been made a tool of by Japan," writes the Generalissimo. "e goes on to speak of the revolutionary and pioneering spirit required by nations in the course of their reconstruction and rehabilitation. The Chinese people must, he urges, emulate the manner in which the revolutionary martyrs fought to create the Republic in 1911. The message:

Today is the twenty-ninth anniversary of the day when the Republic came into existence. We celebrate the occasion this year with resistance in its fourth year and at a time when tremendous changes are sweeping over East Asia and the whole world. These circumstances charge the day with a significance out of all proportion to that it bears in normal times. It is all the more necessary for us to be deeply aware of the aims of China's nation-building and to go about the fulfilment of our duties with the mighty spirit of the revolutionary martyrs.

Recalling the course of the establishment of the Chinese Republic, we are all bound to think first of Dr. Sun Yat-sen, who strove his whole life for the Revolution and whose great leadership, together with the magnanimous sacrifices of numberless martyrs twenty-nine years ago, brought about the overthrow of the Imperial system and the creation of the Republic. The events of 1911, however,

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

only set in motion the enterprise of national construction; they were but the first step in the course of the Revolution. The aim of that national construction and that Revolution is the realization of the Three People's Principles. On the one hand, the goal is to secure for China independence and freedom and give her a permanent place in the world as a strong and prosperous country. On the other hand, "having attained a good for oneself, desiring to convey it to others," we proceed to bring to bear on the advancement of peace and happiness for all mankind, the great moral ideas our people possess, in order to fulfill China's responsibility towards the world.

Since our country belongs geographically to East Asia our first desire is the tranquillity of East Asia. Peace in the world at large can be assured only if tranquillity prevails in the Pacific Ocean. Simply, therefore, we aim at home to build up our national defences that China may have the means to freedom and equality with other nations, and abroad to stabilize the affairs of the Asiatic continent with a view to true world peace. Such are the aims the Tsung-li set himself in his life-long struggle, and such are the ideals of 1911.

Nearly thirty years have passed, but the aspirations of Dr. Sun and the revolutionaries are yet unattained. We cannot but feel immense compunction at our vacillations and inconclusive efforts. However, the greatest obstacles in the way of the still halting and delayed progress of the Revolution have been and are due to external causes, above all, to the Japanese militarists. They are the mortal enemies of national construction in China; their aggressive policy and the Three People's Principles are incompatible forces, one of which must yield to the other. Their aims are the destruction of China, the enslavement of East Asia, and the conquest of the world. The first step in the Tanaka plan was the conquest of China, and "what is most to be feared," wrote Tanaka, "is the awakening of China; if China were to become united the consequence would be industrial development; it is necessary to control Manchuria and Mongolia and then to use them as a base for the seizure of all China's wealth and resources." These are not merely the wild words of an individual. They represent the consistent and fundamental policy of the Japanese militarists. Ever since the Revolution of 1911 they have been ceaselessly interfering with and obstructing the unification, economic revival and national defensive measures of China. Previous to the time of the Northern Expedition they practised political sabotage, produced civil strife, sold drugs, and promoted smuggling in China. They left no device untried for the injury of our national unity. After 1928, the violence with which they went to work and the obvious nature of their intentions were only the more striking.

Nine years ago they invaded our northeastern provinces and then the climax came with the Lukouchiao Incident of 1937 when they commenced aggression on a scale calculated to strike at the very foundation of China's national existence. It is clear enough that the present slaughter and pillage perpetrated by the enemy is due to the Japanese militarists; but the same is no less true of all the chaos and tragic suffering our country has endured for the last thirty years. We are fighting now not only to clear and revenge ourselves of disgrace, but as a necessary means of attaining our national ideals, for the completion of the revolutionary enterprise set on foot in 1911 and the realization of the Three People's Principles. Out of this war must come the recovery of our sovereignty, independence and territorial and administrative integrity and the contribution we have to make towards the strengthening of standards of international conduct, human equity

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

and world peace. The former is absolutely the most essential and most elementary condition for national construction, while as I have often brought to your attention, the indestructibility of the conception of equity and the inevitable victory of justice in the world are facts of which we can never obtain too close a grasp.

The Japanese themselves avow the boundlessness of their ambitions. The center of those ambitions is the conquest of China but they include the over-running of all East Asia, the carving up of the whole Pacific area, and unlimited aggression throughout the world. The attack on China, therefore, cannot be considered apart from the worldwide aggression contemplated by the Japanese militarists. Whether they say "a conclusion to the China Incident," or "to the south the defensive; to the north the offensive," or "to the north the defensive; to the south the offensive," it is all only a matter of sequence in the steps of their great scheme. Tanaka declared: "If China be completely conquered by us, central Asia and Asia Minor, India and the South Seas, with their heterogeneous peoples, will certainly fear and yield to us; the world will be given to us and stand that East Asia is in our possession." He also spoke of the inevitability of war between Japan and America and Russia. "The rich resources of China," he wrote, "will become instrumental to the conquest of India, the South Seas, Central and Asia Minor and Europe."

The minds of the Japanese militarists are crazed with this sort of dream. Their so-called "New Order in East Asia" is the phrase in which they express their determination to see all the countries on the shores of the Pacific and all the peoples of Asia acknowledge their overlordship. So they plunge into mad adventures and throw themselves toward ruin. Their nature, however, is such that save on the point of extinction they will never realize the error of their ways. Aware of this, China is resolved to fight not only to smash their scheme of conquest insofar as it applies to her, but also to shatter their hope of subduing the rest of Asia. China is the most ancient and the largest Asiatic country. Without her, East Asia would dissolve. She has not therefore shrunk from assuming responsibility for the stability of East Asia.

Since the outbreak of the European war the Japanese, despite the little strength left them after fighting three years with China, have been thinking constantly how they may take advantage of the situation for purposes of expansion southwards. Following the reverses suffered by Britain and France their "New Order in East Asia" suddenly became a "New Order for Greater Asia." The announcement was made that "Greater Asia" included the South Seas and frequent mention was made of a "new world order." Then came the compact engineered with Germany and Italy. Action no less extravagant than the mental abominations of the Japanese is clearly to be expected. It matters little to us whether they expand northward or southward; all their moves spell danger to China. China is inveterately opposed to both the "new order in East Asia" and the "new order for Greater Asia," and she will never cease her struggle, whatever the future difficulties, until her people have attained their national ideals.

Any country recognizing Japan's right to a "leading role in a new order for East Asia," I unhesitatingly declare, will come eventually to regret having been a tool of Japan. Any treaty concluded with Japan in regard to eastern Asiatic affairs, if China opposes it, will prove as worthless a scrap of paper as the treaty made between the Nanking puppets and their Japanese masters. I also declare that if only we persevere in Resistance

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

the Japanese scheme behind the Triple Alliance will be utterly frustrated. Every day that passes without a pause in Chinese resistance, is another day without a solution for the grave emergency in Japanese affairs. The main Japanese motive, indeed, for entering into this alliance lies in the "urgent desire to bring the China Incident to a close." China, however, is engaged in a life-and-death struggle. As long as we have not reached the goal of Resistance, no matter whatsoever threats and tricks he may employ, the enemy will never succeed in causing us to swerve a hair's-breadth from our purpose. If we analyse it objectively, this Triple Alliance is seen to be, as it were, a pit of self-destruction added to the shackles the enemy has already forged for himself with the "New Order in East Asia."

Everyone must understand that into whatever part of East Asia the enemy leaders may carry their aggression, it is all part of their criminal design to destroy China. Every move is a mortal blow aimed at the nation which we are planning to build and which will never be built without the dissipation of the Japanese dream of "New Order in East Asia." At a time when the Japanese are exposing themselves to fresh risks it is opportune to strike them with the utmost severity. Thus we shall not fail to observe the directions left us by the Tsung-li, as well as China's responsibility towards East Asia.

In this period of urgency for Resistance and of unprecedented convulsions for the world, it behooves our devoted army and people, holding fast to the Tsung-li's teachings, with firm faith in their cause, to exert intensified effort. To drive out the enemy and carry to completion the unfinished work of the revolutionary martyrs we must draw on their revolutionary and fighting spirit. Recall the circumstances of their heroism: those circumstances were certainly no less arduous than ours, yet they were infinitely the worse off. They defied death, returned ever to the charge, and fought even with bare fists and weaponless in creating the Republic.

Dr. Sun said: "At Huang-hua-kang three hundred men faced thirty thousand, pitting pistols and grenades against rifles and artillery. In the rising at Wuchang the odds were five hundred to one. Such contests are unknown in the annals of ancient and modern times, in the military art at home and abroad. Only revolutionary history could have put them on record....If we would bring China into line with other nations and secure for the Chinese people an everlasting existence among mankind, we must emulate the revolutionary martyrs' conduct, make them our standard, be ready like them to sacrifice everything in single-hearted devotion to national salvation. There is no other recipe for the spirit that should animate the Kuomintang but this: fearlessness of death." This spirit of selfless patriotism dwells in the foundations of the Chinese Republic.

No revolutionary endeavour in the world that answered natural and human needs and laws has failed. The building for a nation, however, is always attended by numberless trials and sufferings. With other nations it has ever been that revolutionary endeavour has met immense obstacles and steady endurance has been required. American independence encountered numerous setbacks and material difficulties greater than China's today. Eight years of bloody conflict went to the making of the present spectacle of a strong and prosperous United States. The Russian revolution was hindered from without by foreign intervention and blockade and internally by reactionary elements, with the addition of grave natural calamities. It kept, however, to a steady course towards

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a defined goal, and at last repelled the foreign invader and pacified the land, leading to the construction of the imposing state of today. The revival of Turkey, again, took place when the Powers had just imposed upon her crushing terms of peace. Mustapha Kemal Pasha set about the salvation of his country at a time when its territory was daily diminishing, its economic strength was steadily declining, the army was falling to pieces and internal administration was in confusion. He cut a way through these overwhelming difficulties, leading the Turkish army and people to war for the recovery of the lost territory and national liberation. Subsequently, he threw himself into ten years of intense work to reconstruct the country and army and to institute all kinds of reforms, until the great enterprise of rehabilitation was at last completed.

These are all examples worthy of our emulation. The present European war may serve to impress on us the importance of concentrating our resources for the strengthening of national defence, but also the fact that such efforts must be seconded by the ability to maintain a struggle without wavering, no matter how long it lasts. At the same time, we should observe how any nation, to whatever degree favourably circumstanced, if it falls into ways of dissipation and easygoing self-seeking may perish in a flash. On the other hand, in circumstances the most perilous unity and determination of a people's heart can save the situation. Our nation now hangs between life and death. Resistance is at a critical and arduous stage of its course; yet we are far better off than were the revolutionary martyrs or the builders of other nations at the commencement of their task. There is little difficulty in comprehending this truth: we confront a foe who has on all sides of him enemies other than ourselves---the rapidly weakening Japanese; while at our side are ranged the nations working for justice and existence in cooperation with others. In the last resort, there are none but desire to see in Asia a free and ascendant new China, none but look forward to the development of a new China after the victory of Resistance, able to assist in world economic cooperation and in the establishment of true world peace. The question now is, therefore, whether we have confidence in ourselves, whether we still possess the revolutionary spirit of 1911, and such a spirit as all countries have displayed in their periods of national construction.

Long ago I expressed my acute sense of the dangers and difficulties that must beset Resistance. I have been equally emphatic in asserting that Resistance is bound to be victorious, Reconstruction bound to be successful. I have pointed out that the fundamental error of the Japanese permits of no good coming of whatever they undertake. Dr. Sun said: "Conduct that goes against the dictates of justice and humanity will sooner or later be defeated." Let the enemy contort himself as he may, his ruin will be only the more catastrophic the greater the adventures in which he indulges. On another occasion I said: "No matter what changes may take place in the international situation, they will be found essentially favourable to our Resistance." For we have all along maintained the initiative; we have put the war on a basis of self-reliance and self-help. Advantageous to our cause have been the recent increase of other countries' assistance to China and measures against Japan, but they belong merely to the outwardly apparent indications of a trend in the international situation the impalpable significance of which is even more important for us to realize. That trend is day by day more closely approximating the aims of Resistance in its direction. During this period of Resistance and world upheaval the Tsung-li's ideal of national and world

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

salvation will gain universal recognition and eventually be wholly realized. We are resolved to exert ourselves only the more vigorously should international events appear to turn an unfavourable face on our cause.

With the Triple Alliance the Japanese seem to have emptied their box of tricks. The Chinese people stand sublimely aloof meanwhile, growing stronger as the war proceeds. Our part in responsibility for the security of East Asia and the world lies heavily upon us; but, unless we are remiss ourselves no force can injure us, no power prevent the attainment of our national ideals. On the Double Tenth of the first year of Resistance I remember telling you that "this war will not be a matter of six or twelve months." Today, our struggle is still in progress while the whole world has begun the general settlement of accounts that must precede the dawn of new hope. Re-reading the teachings bequeathed us by the Tsung-li we cannot but feel that our road is lengthy in proportion to the moment of the journey we are making. Thousands of years of Chinese history show that as a people we are peculiarly gifted with a capacity for endurance and the overcoming of all descriptions of difficulty. It is not for us to waver in the face of trials, to be bewildered by perils, to lose heart at reverses, to be weakly fascinated by world changes and fall in the midst of difficulties into *laissez-faire*, irresponsible and compromising habits of mind.

For China to accomplish her own task of Resistance is for her to discharge her responsibility to the world. For the individual to stand to his post and energetically do his particular duty is his way of making the greatest possible contribution to the nation. From the whole army and people there must be loyalty to the nation, loyalty to duty, loyalty to the Principles, loyalty to the law; and courage in unselfish patriotism, courage in bearing pain to serve the public interest.

In life a man's self is both his greatest friend and his greatest enemy. With self-reliance and self-exertion he has no enemy he cannot put to rout; while if he let himself slide he courts his own destruction. Similarly, the ghastly injuries we have been subject to may be put down to the dissipation, folly, and selfishness of the past, while the rigour, bloodshed and striving of the present will go to the making of future prosperity and happiness. This gravest crisis in the history of our nation is also an experience fateful for Asia and mankind. It is the most serious trial history has ever made of the Chinese people's qualities. Extraordinary times have their extraordinary difficulties and these require extraordinary power to overcome. The strength and splendour of the national character must come into evidence now if ever. Our people will assuredly be steeled in this blood and fire; they will develop a pioneering spirit of endeavour for the opening up of the way to national construction and revival. I demand of army and people: at the front, vigorous fighting; in the occupied areas, sabotage and frustration of the enemy and sworn resolution not to compromise with the enemy and his puppets; and in the rear, self-denial and frugality, sturdiness and enthusiasm.

The Tsung-li, in painstakingly setting down the plans for national construction, anticipated such a unique opportunity as presents itself today. This is the time for us to concentrate our will and strength and lay a sound political foundation for the country. The blockade we must turn to advantage by striving to counter it with the energetic development of production, and

0803

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

the promotion of research and invention with a view to establish a robust and independent economy. We must exert ourselves in building up the army, in social training, in the completion of the new system of hsien administration and local autonomy, in stimulating industry and developing communications, all in order to reinforce the foundations of national defence.

The whole army and people, and especially those individuals gifted with special knowledge and technical skill holding positions of leadership in the various spheres of life, must realize the nature of our responsibility which extends to the fate of East Asia and the world. It is a responsibility not to be shirked but to be borne up with a courage equal to the immense and noble enterprise. The ancients called thirty years a generation and with next year the Republic will have attained that age. It finds itself still menaced and the work of reconstruction still lacks an adequate foundation. A barbarous enemy confronts it meanwhile. Things being so, we have to reflect upon our unworthiness of the sacrifices made and the distress suffered by the Tsung-li, the revolutionary martyrs and innumerable other fellow-countrymen. The situation with us and in the world is now at a turning point. Our efforts and devotion were never more urgently required. I trust that you will all display a spirit such as may benefit those to whom has fallen the duty of executing the will and following in the steps of the Tsung-li and those who created the Republic twenty-nine years ago and initiated the noble mission we have to bring to completion.--END.

0804

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
December 5, 1940

~~SA~~
~~WHA~~

For the record; to note
and file.

TD
JD

0805

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 702.

Chungking, November 18, 1940

Subject: Chinese War Zones.

Air mail

CONFIDENTIAL

copy in FE

file

WMA

ONI MID

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to my despatch no. 643,
August 27, 1940, enumerating the so-called "war zones"
of China, and to enclose for the Department's records
a more complete but substantially similar list as of
September 1, 1940, prepared by the Assistant Military
Attache of this Mission.

Respectfully yours,

Nelson Trusler Johnson
Nelson Trusler Johnson

Enclosure:
1/ List, as above

Original and four copies by air mail to the Department
Copy to Peiping

800/710

EPD:MCL

DEC 9-1940

FILED

7-5-66/10204

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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. 702 dated November 18, 1940 from American Embassy at Chungking on subject of "Chinese War Zones".

The following is a list of Chinese-designated War Zones as of September 1, 1940:

- First: South Shansi, South Hopei, and Northwest Honan.
 Commander, Wei Li-huang; Vice-commander, Feng Chin-tsai.
- Second: Eastern Shansi, Western Hopei.
 Commander, Yen Hsi-shan; Vice-commanders, Chu Teh, Yang Ai-yuan.
- Third: Chekiang, South Kiangsu, North Fukien, Northeast Kiangsi
 Commander, Ku Chu-tung; Vice-commanders, Liu Chien-hsu, Tang Shih-tsun.
- Fourth: Kwangsi (formerly Kwangtung and Kwangsi).
 Commander, Chang Fa-kuei. No vice-commander. Former Vice-commander, Yu Han-mou, has been made commander of Seventh War Zone.
- Fifth: Southern Honan, North Hupeh, and Western Anhui.
 Commander, Li Tsung-jen.
- Sixth: South Hupeh, West Hunan, and four hsien in East Szechuan.
 Commander, Chen Cheng; Vice-commander, Wu Chi-wei (formerly in command of 18th G.A. on East River, Kwangtung. This is a new War Zone.
- Seventh: Kwangtung.
 Commander, Yu Han-mou (no vice-commander).
- Eighth: Part of North Shansi, Western Suiyuan, Kansu, and Shensi.
 Commander, Chu Shao-liang; Vice-commanders, Fu Tso-yi and Ma Hung-kuei. This Zone was formerly commanded by Generalissimo Chiang Kai-shek.
- Ninth: Hunan, Western Kiangsi.
 Commander, Hsueh Yueh; vice-commanders, Lo Cho-ying, Wang Ling-chi, and Yang Sen.
- Hopei-Chahar War Zone: Commander, Wei Li-huang (concurrently with First War Zone). This War Zone was formerly commanded by Lu Chung-lin, who recently resigned as Chairman of Hopei. This Zone will probably soon be abolished.
- "Su-Lu" War Zone: This special Zone includes North Kiangsu and Southeast Shantung (hence the name "Su-Lu"). It is commanded by Yu Hsueh-chung, whose official title, "Szu Ling," is slightly different from that of a regular War Zone Commander, which is "Chan Chu Szu Ling Kuan."

Note: The Tenth War Zone, formerly in Shensi and commanded by Chiang Ting-wen, has been abolished.

0807

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

TELEGRAM RECEIVED

JT

FROM

GRAY

PEIPING VIA N.R.

Dated December 3, 1940

Rec'd 3:40 p.m.

COPIES
 001
 12/4/40

REK

Secretary of State,
 Washington.

501, December 3, 2 p.m.

Peiping's number 498, November 30, noon.

The Peiping city gates are still closed and although Americans are generally permitted to pass through them there is some difficulty regarding their motor cars and Chinese chauffeurs. This has been taken up with the Japanese Embassy. Americans at Yenching University are particularly inconvenienced.

A house to house search of the whole of Peiping is apparently being made, with a different district blocked off and searched each day. The police and gendarmes seem to be respecting foreign property and no incidents involving Americans have so far been reported. Chinese pedestrians are frequently stopped and searched for concealed weapons and numerous arrests are reported. Street traffic is less than normal especially at night. Trains leaving Peiping carry very few Chinese.

According to reliable reports several hundred Chinese
 mercenaries

705.04/15000

mercenaries

0808

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

-2- 501, December 3, 2 p.m., from Peiping

mercenaries at the barracks near the Summer Palace
have mutinied. Gun fire and bombing west of the city
have been heard during the last few days.

Sent to the Department. Repeated to Chungking,
Shanghai. By air mail to Tokyo.

SMYTH

CSB

0809

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

TELEGRAM RECEIVED

JT

FROM

GRAY

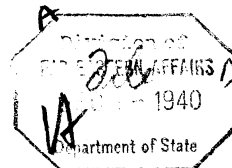
SHANGHAI VIA N.R.

COPIES SENT TO
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Dated December 3, 1940

Rec'd 4:50 p.m.

Secretary of State,
 Washington.



1343, December 3, 2 p.m.
 793.94/16340

Reference my 1334, December 1, 11 a.m. concerning
 shooting of Japanese gendarme in western area.

The greater portion of the western area has been
 closed by the Japanese authorities and thousands of
 Chinese residents and many evacuating have been affected
 by the stringent restrictions imposed, preventing ingress
 or egress. Very little food and other supplies are being
 permitted to enter the area and a serious situation may
 shortly develop unless the barricades are removed or the
 restrictions are relaxed. Two American firms, the
 Shanghai Laiyang Company and the Ford Hire Service, who
 maintain branch offices in the area mentioned, have also
 been affected. However, yesterday arrangements were made
 by the Consulate General with the Japanese authorities for
 the entry of sufficient provisions to feed the companies
 Chinese employees for two or three days. The few Americans

residing

737.94/16340

PS/GO

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

-2- 1343, December 3, 2 p.m., from Shanghai

residing in the affected area are experiencing difficulties in leaving and returning to their homes. I have brought these difficulties to the attention of the Japanese Consul General.

Sent to the Department, repeated to Chungking, Peiping. By air mail to Tokyo.

LOCKHART

NPL

0811

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

To Dr. Stanley Hornbeck
with best compliments

本邦駐外館長 閣下
心算博士 田中 一 二 三 四 五 六 七 八 九 十 十一 十二 十三 十四 十五 十六 十七 十八 十九 二十 二十一 二十二 二十三 二十四 二十五 二十六 二十七 二十八 二十九 三十 三十一 三十二 三十三 三十四 三十五 三十六 三十七 三十八 三十九 四十 四十一 四十二 四十三 四十四 四十五 四十六 四十七 四十八 四十九 五十 五十一 五十二 五十三 五十四 五十五 五十六 五十七 五十八 五十九 六十 六十一 六十二 六十三 六十四 六十五 六十六 六十七 六十八 六十九 七十 七十一 七十二 七十三 七十四 七十五 七十六 七十七 七十八 七十九 八十 八十一 八十二 八十三 八十四 八十五 八十六 八十七 八十八 八十九 九十 九十一 九十二 九十三 九十四 九十五 九十六 九十七 九十八 九十九 一百
Former pen name Alfred Westharp

Address in Japan: 東京都千代田区千代田 1-11-40

1-11-40, Tokyo

0812

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

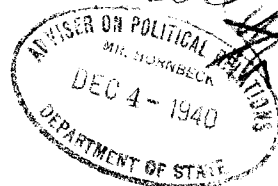
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DEPARTMENT OF STATE
NOV 23 PM 2 44
COMMUNICATIONS SECTION

STOP AND THINK

A memorandum on the Far East submitted to
the Reading Public of the United States

by Victor Frêne



793.94/15637

793.94/15637
793.94

See 793.94/15676
15705

793.94 P.C./16

FILED
DEC 3 - 1940

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

STOP AND THINK

A memorandum on the Far East submitted to
 the Reading Public of the United States

by Victor Frêne

After a stay of thirty years in the Far East, in the course of which I have done my very best to get an insight into the motive forces of current events, I consider it as my duty to submit the results of my observations and study to the reading public of the United States, in the hope that my remarks may be received in the spirit in which they are offered, and be recognized as an attempt to be helpful to all the parties to whom a reasonable approach to the problems of the moment would be advantageous. For nearly forty years, in Europe as well as in Asia, I have constantly been on excellent terms with Americans and even obtained their active support in many of my undertakings. Therefore this attempt at keeping the power of judgement alive in American minds, represents, on my part, not a manifestation of antagonism, but an expression of sympathy and gratitude and I shall endeavour to formulate everything I have to say in such a way that my American readers will feel in it the sympathy and gratitude from which it springs.

As an introductory question I want to ask

Introduction: WHY SHOULD THE UNITED STATES REPEAT THE MISTAKES OF ENGLAND?

If you think it over, would it not be much more helpful to England, if the United States would endeavour to see the point of view of the other side more clearly than England has done? Are you not younger and more enterprising than the old countries of Europe? Should you, in consequence, not be more unprejudiced and generous? Particularly because your partner, across the Pacific, is very different from the one England is now confronted with, across the channel? Not only very

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

- 2 -

different, but also much easier to deal with?

That introductory question leads me at once to another, much more fundamental one:

1. WHAT DO YOU KNOW ABOUT THE FAR EAST?

Yes, do you really know with whom you are dealing?

Do you know that Japan is the only healthy country of Asia?

Have you not been lamentably sentimental in your whole study of Asia?

I agree with you that India was the world's greatest psychologist in the prescientific era of human history. I acknowledge also that China was, in the same era, the world's greatest poet, painter and musical theorist. But India as well as China, both have paid for their culturally extremely valuable mental and aesthetical activity with the loss of their manual efficiency. They are economically, as well as politically, impotent and what they need, is a transfusion of new blood. Their mental and aesthetical activity must be rebuilt upon new foundations.

Where can they obtain these foundations?

From where can they get the new blood they need?

Certainly not from you.

Your origins and history are both too different from those of Asia.

You should allow India and China to fill their requirements by applying to other quarters, which are, by nature, infinitely more congenial to them.

Have you not yourself experienced that there is in the Far East a country which has just what the rest of Asia is lacking? A country which has succeeded in modernising itself more quickly than any other country on earth? A country, which possesses manual efficiency as well as national self-consciousness to a degree attained by very few others? A country which, being very close to complete economic modernity, still has its roots deeply imbedded in Asia's past and is just on the eve of discovering

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

- 3 -

a new oriental as well as scientific and universally acceptable, up-to-date, morality for the rest of Asia?

Is it right that you interfere in oriental affairs, in which you are outsiders?

Has your and your friends' interference in Asia, up-to-now, been advantageous to Asia?

Please ask yourself

2. WHAT GOOD HAVE ENGLAND AND FRANCE DONE TO ASIA?

England and France have kept order in economically and politically impotent areas of Asia. But they have left out of account what, for Asia, meant everything: in India the Indian psychological creativeness and in China the aesthetical originality have been entirely disregarded. The order England and France have established in India and China, was the order of the cemetery, the order produced by the cessation of Oriental mental life.

About 800 millions of Indians and Chinese have been kept by your friends, in a state of mental slavery. You condemn what Germany has done to the Jews: how can you condone what your friends have done to much more creative races of Asia?

Should you, on the contrary, not acknowledge that you yourself have been far from successful in China?

What China needs, is manual and political efficiency, not mind-stimulation. In carrying your religion to China through your missionaries, you have been carrying coals to Newcastle. The material comforts you have been offering to China in your Peking Union Medical College and Yenching University, have been so far above the economic level of Chinese life, that they have denationalized wide circles of the Chinese public and endangered rather than developed their future.

The Chinese students you have educated in the States, have lost

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

- 4 -

touch with Oriental affairs to such an extent that they have lost the capacity of recognizing the value of Japan and become the promoters of Sino-Japanese antagonism.

In their endeavour to imitate your capitalists, they have driven their less favoured compatriots into that other camp of materialists, established by communism.

You are now afraid of the progress of communism in China: how is it that you fail to see the connection existing between the capitalism of the American-educated Chinese leaders and the communism of the intellectual proletariat of China?

In brief, I want to ask you, whether, with all your well-intentioned attempts to produce economic and political advancement in China, you have not brought about the most dangerous type of confusion, from which Asia can be made to suffer, which is mental confusion?

Would it not have been much wiser to concentrate your efforts upon other affairs, of which you know much more than of those of Asia and which, from your point of view, should be much more urgent?

✓ 3. WHY NOT TRY TO GET INTO TOUCH WITH SOUTH AMERICA
 RATHER THAN TO PLAY THE PART OF SAVIOUR OF ASIA?

What will happen, if the sympathies of the Latin races of South America run away with them just as irresistibly as yours have run away with you? What, if South America attaches itself to Portugal, Spain and Italy just as firmly as you attach yourself to England? What, if the most important effect of the Italian alliance and of the Spanish ideological connection is just to secure and cultivate that attachment of South America to the ideological collaborators of Southern Europe?

Have you already succeeded in unifying the races of which the United States is composed, sufficiently to become a dynamic entity which would be magnetic enough to attract and fusion the different states of South

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

- 5 -

America?

Have your North American ideological slogans already been fully enough transformed into practical values to impress the nations of South America with their sublimity and effectiveness?

Have the masses of your population already become submissive enough to adapt themselves to national requirements and to economic duties imposed upon them by collaboration with other, racially comparatively distant, nations, like those of South America? Does the youthful pride, animating the people of the United States, that same youthful pride, which endangers the peace of the Pacific, not also render the economic and political interpenetration of North and South America extremely difficult?

If France, the mother country of democracy, has not succeeded in eliminating egoism inside of her own borders, does the collapse of France not demonstrate the importance and urgency of purely interior matters like psychological reconstruction?

Are you not yet efficient enough to acknowledge that only a start, which really starts at the beginning, is in fact a start: and, if you allow me to say so, should the beginning of your preparations for national security not be psychological? Is it, if you try for once to really understand the causes of events, not psychological reconstruction, which, up to now, has given victory to Chancellor Hitler's war-machinery?

As long as you continue to imitate out-of-date German religion and out-of-date German education, how can you expect to obtain the psychological potency to maintain your own American ideology in opposition against German psychological revolution?

You have had thoroughly up-to-date men of your own like James Harvey Robinson, George A. Dorsey and many others. You still have the Wiggam of

0818

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

- 6 -

the "New Decalogue of Science" and the Hendrick van Loon of the "Liberation of Mankind": why not follow their scientific advice rather than rely on the inaccuracies of China novels likethe "Good Earth"? Why try to become China-conscious before your people have become truly America-conscious?

Before you have become North-America conscious, you will surely not even succeed in becoming South-America conscious.

Let me tell you confidentially that the "New Structure" of Japan tries very hard to become purely Japanese in its psychology; if you would try equally hard to become purely American in yours, you would at once cease to call Japan an "imperialistic" and "militaristic" country and shake hands with Japan as with a collaborator striving to secure the advancement of the part of humanity, for the well-being of which her unique talents render her responsible.

If your ways of thinking were scientific, you would be objective and welcome difference, instead of being offended by it, wherever you would find it, in Japan as well as in South America. The spirit of scientific objectivity can be developed into a very powerful counter-poison against egoism of all kinds, private and social as well as national and international.

No self-respecting American can contradict that.

Why not put this very common-sense truth into practice?

Now you have a wonderful opportunity.

The first thing you need for the propagation of the spirit of objectivity in North America, is peace.

Therefore I terminate my very sketchy observations by asking in

Conclusion: WHAT ABOUT THE HOWARD COMMISSION?

0 8 1 5

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

- 7 -

Mr. Howard of the Scripps-Howard newspapers was just long enough here in Asia to discover that Asiatic matters can not be dealt with by muddled thinking. Therefore he suggested the dispatch of a commission of inquiry.

A commission of inquiry armed only with a bullet proof armour of objectivity, would not only bring about peace between you and Asia, but also act as a pathfinder for your future intercourse with South-America. If you had sent such a commission, instead of the Black Ships of Commandor Perry, about a hundred years ago, to Japan, you would have much less to worry about now.

Should a great nation, in the course of a hundred years, not make some progress?

Unfortunately, the grey armada, at present assembled in Honolulu, looks like retrogression, not like progress. May I ask whether it is your intention to verify Hendrick van Loon's statements, that, with all its so-called "liberation", humanity has in fact got nowhere?

But if you did not intend to infuse a little bit more of the scientific spirit into your political life, why did you add the Cultural Division under Dr. Cherrington to your State Department?

It has taken me two years of very concentrated study in the big ^{of Paris and London} libraries to know something of the East and of the relationship between East and West or West and East.

What I said above about India, China and Japan is the result of those 29 years of uninterrupted research. I have a lot of information which I hold all at your disposal, as I stated already in a private letter to Dr. Cherrington some time ago.

Your former Ambassador to China, Dr. Paul Reinsch, has known me quite well. Your former adviser on Far Eastern Affairs to the State

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

- 8 -

Department, Dr. Stanley Hornbeck, has met me several times ineking.

The Vice President of the Far Eastern Division of the Rockefeller Foundation, Mr. Selakar M. Gunn has acknowledged the value of the analysis of China given in my article on "What is China?" which was published in Chinese, just before the present Sino-Japanese incident in Chiang Kai-shek's "Cultural Reconstruction Review".

After nearly 30 years of Asiatic research, I am still studying.

Since February last when I sent a manuscript on Japan to Dr. Cherrington, I have still made much progress.

If I tell you now that your Asiatic Commission could teach you much, you may trust that this statement is not that of a propagandist or of an adventurer.

I do not pretend that it could teach the American man in the street to know something of Asia. But I can guarantee that it could teach your politicians the wisdom of keeping out of Asia.

That would, for every American man, woman and child, be the first step towards the acquisition of an objective, un-egoistic and scientifically self-conscious type of Americanism or at least provide him with the peaceful future, which would be the "conditio sine qua non" of acquiring such an Americanism.

Only by keeping politically out of Asia, can your economic progress in China be made to evolve undisturbedly. Do not even the textbooks of your commercial schools teach that commerce depends on goodwill?

The same objectivity which can be made to eliminate egoism, is automatically the safest and most effective promoter of goodwill.

The goodwill of the Japanese, according to my study and experience, once obtained, is better as well as stronger, than that of the Indian and Chinese. Because it is better as well as stronger, it depends on a more perfect type of objectivity.

0821

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

- 9 -

If your commission could take this information back to your British friends that would be another very practical procedure of being of assistance to England.

(Tokyo 18-10'-1940)

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

Victor Wreñe

Biographical Sketch

- 1907 Obtained a d Doctor Degree in Psychology^{the}, Physiology, Music and Archeology at ^{the}University of Munich (South Germany).
- 1907 Performed a ~~new~~ new version of the Fifth Symphony by Anton Bruchner as conductor with a German orchestra.
- 1911 Published at the Psychological Institute of Paris a new scientific theory of Music.
- 1912 Studied in England the new schools conducted according to the Montessori Method and visited Dr. Maria Montessori in Rome.
- 1912 Published at the Société France-Japonaise in Paris his first article on Japan, which was immediately translated and published in Tokyo.
- 1913 Published in the London Japan Society Transactions his second article on Japan.
- 1913 February, went from England via France, Germany and Italy to Egypt, India and China, lecturing, on the way, on the comparative psychology of Occident and Orient.
- 1913 May to November, first visit to Tokyo, where he succeeded in building up governmental, educational and artistic connections.
- 1913-1917 Established new schools in North and South China and lectured at many Chinese Universities.
 Published about 100 pamphlets and booklets on China in Chinese, English and French.
 Held the position of Advisor to :
 Marshal Li Chi-sen, General Chen Ming-shu and Governor Lin Yun-hai of Kwangtung Province, South China.
 General Lai Tung-hsi of Kwangsi Province, South China.
 Pacification Commissioner Yen Hsi-shan of Shansi Province North China.
- 1932 For the purpose of obtaining the fullest possible independence in his campaign to propagate his new conception of China among the nationals of foreign countries in China, started Chinese naturalization procedures. Opened the "China Study Center" in Shang-hai, exclusively for foreigners.
- 1933 Formulated, at the China Study Center, in Shanghai the results of his 20 years of China research for the first time in English under the title of "The Psychological Discovery of China".

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

- 1933-1937 In long discussions, written dissertations^{a)} and lectures, repeatedly and systematically warned Marshal Li Chi-shan, Li. Yang Ching-wei, General Bai Tsung-hsi, Marshal Yen Hsi-shan and his old friend the Chinese scholar Dr. Chiang Shu-ndai, against war with Japan.
- 1937 June, published the results of his 25 years of China research^{a)} for the second time, in Chinese, in the Chinese Cultural Reconstruction review, under the title of "Chung Kuo Lun".
- 1937-1938 Published his first article on Sino-Japanese Relations, under the title of "Political Back-Stage Secrets of the Far East" in the "Japan Times", "Kultur al Nippon" and "The Peking Gazette".
- 1936 December 22, Left China on his return to Tokyo.
- 1939 January to September, lectured at Colonial Institute, the Pan-Pacific Club, the Foreign Policy Association, the Toa Dobun Kai, The Japan Women's University in Tokyo and at the Seinenkyodan in Shizuoka; also published one booklet on China and one article entitled "Music as a means of Spiritual Mobilisation" in Japanese.
- 1939 ~~English~~ 1940 January Published comments on Japanese problems in English in the "Japanese Times", "Japan Advertiser", "Japan News Week" and English Osaka Mainichi, as "Letters To the Editor".
- 1940 January 27, Finished his first sketch of his psychological analysis of Japan under the title of "Japan Consciousness".
- 1940 April began his attempt of Scientific Reinterpretation of Japanese Shinto, with the help of Dr. T. Fonegawa.
- 1940 October published "The Japanese Way of Salvation" in Japanese, translated by H. Makayama, in the Japanese "Keizai Magazine".
- 1940 November published "~~The Japanese Way of Salvation~~ ^{Japan's Totalitarianism}" and "The Dynamic of the New Structure" in Japanese, translated by the same translator, in the Japanese Magazine "Nihon Oyobi Nihonjin".
- 1940 November published "Twenty Five Years of China Experimentation" in Japanese, translated by the same translator, in the Japanese "Dias Magazine".
- 1940 December published "The Key to China" in Japanese, translated by same translator, in the Japanese "Keizai Magazine".
- 1940 December to be published soon in pamphlet form in Japanese. "Hour of Destiny."

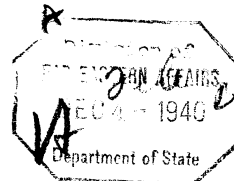
Tokyo December

0824

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

TELEGRAM RECEIVED

FROM



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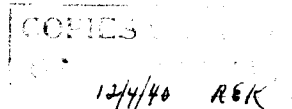
PLAIN

Kunming via Chungking & N.R.

Dated December 2, 1940

Rec'd 9:47 a. m., 4th

Secretary of State,
Washington.



December 2, 3 p. m.

Yesterday ten Japanese planes bombed Mengtze and
Kochiu.

Today eight planes attacked Mengtze and are reported
to have flown over Kochiu. Chinese report one invading
plane brought down near latter place. No Chinese damage
reported in either attack.

Sent to Department. Repeated to Peiping.

PERKINS

HPD

DEC 6 - 1940

730.84/10558

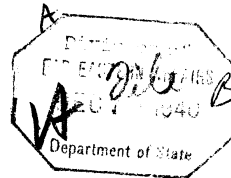
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0825

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

TELEGRAM RECEIVED

FROM



AS

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

Amoy

DECEMBER 6, 1940

Rec'd 10:15 a.m.

793.94/16359

Secretary of State,

Washington.

51, DECEMBER 6, 3 p.m.

Chungking's November 13, noon.

Nothing new during the past week.

Sent to the Department, Chungking, Peiping.

Repeated to Canton, Swatow, Hong Kong and Hankow.

MERRELL

HTM

FILED
DEC 2 1940

PSHR

0826

DECLASSIFIED: E.O. 11652, 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

JT

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

FROM

HANKOW VIA N.R.

Dated December 7, 1940

Rec'd 10:06 a.m.

Secretary of State,
Washington.

87, December 7, 11 a.m.

Reference Chungking's circular telegram of November 6,
10 a.m. and my 85, November 30, 11 a.m.

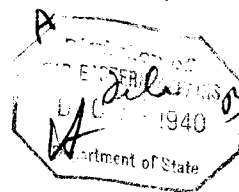
No evidences during week of withdrawal from this area.

Sent to the Department. Repeated to Chungking, Peiping
and Shanghai.

SPIKER

TFV

Withdrawal of Japanese.



793.54/16360

DEC 12 1941

FILED

PC/JI

0827

DECLASSIFIED: E.O. 11652, 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

TELEGRAM RECEIVED

JT

GRAY

FROM

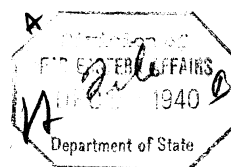
SHANGHAI VIA N.R.

Dated DECEMBER 7, 1940

Rec'd 1:50 p.m.

Secretary of State,
Washington.

COPIES SENT TO
MAIL AND R.I.D.
12/9/40 R.R.



1357, DECEMBER 7, noon.

Reference my 1342, DECEMBER 3, 2 p.m.

The Japanese blockade of a section of the Western District is still in force. However, restrictions have been relaxed to some extent and special ^{EXITS} ~~exits~~ have been designated by the Japanese authorities for foreigners and Chinese, making ingress and egress possible. The situation as regards food has improved considerably but residents of the affected area are complaining of a shortage of coal. The emergency buses are not being allowed to operate in the area but yesterday Japanese buses appeared, giving rise to the conjecture that some attempt is to be made to force Settlement buses out of the Western District as they have been forced out of Hongkew.

Sent to the Department. Repeated Peiping. By air mail to Tokyo.

LOCKHART

TFV

735.94/16361

ES/JI

FILED
DEC 11 1940

0828

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

TELEGRAM RECEIVED

HSM

This telegram must be
closely paraphrased
before being communi-
cated to anyone. (Br.)

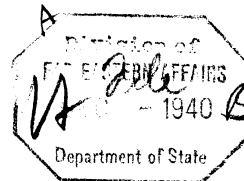
FROM

Swatow via N. R.

Dated December 9, 1940

Rec'd 2:15 a. m.

Secretary of State,
Washington.



35, December 9, 9 a. m. 16308

Chungking's November 13, noon.

79314
There has been no indications of the kind in
question during the past week.

Sent to the Department. Repeated to Chungking,
Peiping.

FORNES

TFV

Japanese withdrawals

793.94/16362

PS/D

FILED
DEC 12 1940

0829

DECLASSIFIED: E.O. 11652, 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

AS

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

Hong Kong via N. R.

Dated December 9, 1940

Rec'd 8:38 a.m.

Secretary of State,
Washington.

470, December 9, 9 a.m.

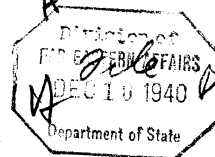
Reference Chungking's November 13, noon.

We have no reliable information of Japanese mili-
tary or naval movements of significance in the Hong Kong
area during the past week.

Sent to Department, repeated to Chungking, Canton
and Peiping.

SOUTHARD

WWC



797.64/10363

FILED
DEC 12 1940

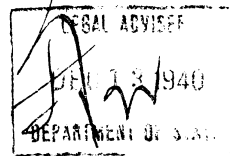
PS/E

0831

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

TELEGRAM RECEIVED

FROM



JR

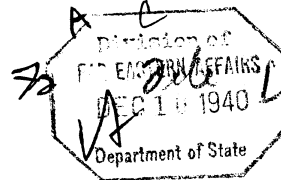
GRAY

Tokyo via Shanghai & N. R.

Dated December 10, 1940

Rec'd 6:45 a.m.

Secretary of State,
Washington.



1306, December 10, 10 a.m.

Chase at Dairen reports that on December 5 during anti-aircraft exercises several dud shells fell in the vicinity of American oil installations and property. On the following day an officer representing the Port Arthur garrison called formally on Chase and expressed regrets and stated that measures to prevent repetition of the incident had been taken, and that necessary repairs would be effected.

In view of these circumstances it would appear that the incident may be regarded as closed.

Sent to the Department via Shanghai.

GREW

TFV

793.94/16364

PS/CC

DEC 14 1940

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

FROM

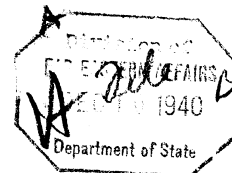
HSM
 This telegram must be
 closely paraphrased
 before being communi-
 cated to anyone. (Br.)

Canton via N. R.

Dated December 10, 1940

Rec'd 6:35 a.m.

Secretary of State,
 Washington.



112, December 10, noon.

Reference Chungking's November 13, noon.

There have been no recent developments.

Sent to the Department. Repeated to Chungking,
 Peiping, Hong Kong.

MYERS

TFV

Japanese withdrawals

FILED
 DEC 16 1940

793.94/16365

PS/GC

793.94

0832

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

TELEGRAM RECEIVED

FROM

JR

GRAY

Hankow via N. R.

Dated December 10, 1940

Rec'd 1:25 p.m.

Secretary of State,

Washington.

December 10, 3 p.m.

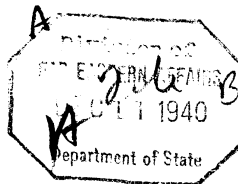
Interruption of travel of foreigners between Hankow
and Shanghai.

On December 6 foreign passengers boarding steamer here
for Shanghai were suddenly informed that for military
reasons passages had been suspended. No Americans booked
on this steamer or now awaiting passage. Japanese
sources intimate that certain developments along river
render travel unsafe for foreigners but that restrictions
will soon be lifted.

Sent to Chungking, repeated to Department, Peiping,
Shanghai.

SPIKER

CSB



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O.N.I. AND
12/11/40 R6K

735.94/15368

PS/60

DEC 13 1940

FILED

193.94
892.811

083

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

學大京燕 December 18, 1940

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YENCHING UNIVERSITY
PEIPING, CHINA STATE

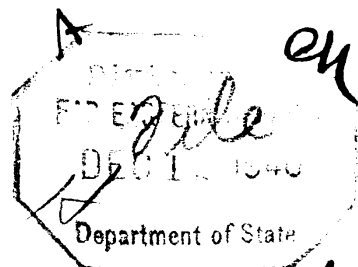
American Office
150 Fifth Avenue
New York, N. Y. 2 03

OFFICERS OF THE UNIVERSITY

J. LEIGHTON STUART, *President*
C. W. LUH, *Dean, Graduate School*
T. C. CHAO, *Dean, School of Religion*
HENRY H. C. CHOU, *Dean, Arts and Letters*
STANLEY D. WILSON, *Dean, Natural Sciences*
GIDEON CH'EN, *Dean, Public Affairs*
MARGARET B. SPEER, *Dean, Women's College*
STEPHEN I. O. TS'AI, *Controller*
MARY COOKINGHAM, *Field Treasurer*

December 7, 1940
RECORDS

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



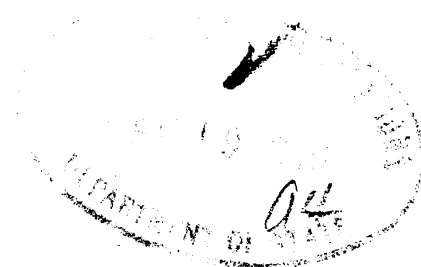
My dear Mr. Hamilton,

I enclose herewith a confidential letter from
President Stuart to his Trustees under date of November 9,
and also a copy of a somewhat more personal letter to me
which Dr. Stuart sent under date of November 12.

Very sincerely yours,

B. A. Garside

BAG:MS
Enclosures



DEC 21 1940
FILED

793.94/10367

PS/CJ

DECLASSIFIED: E.O. 11652, 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

November 9, 1940

To the Board of Trustees:

In my last report (October 19) I undertook to indicate the three possible courses open to Japan in view of the apparent strengthening of American determination to oppose further aggression in the Orient. Anxious speculations continue among us as to future developments between these two nations. As I have reminded you before, the survival of Yenching and indeed of all non-Japanese activities in the whole East Asia turns upon the thwarting of Japanese dreams of imperialistic conquest. As to China the immediate issue is these northern provinces which nothing short of compelling necessity will induce Japan to relinquish. We Americans are not seriously perturbed as to our personal safety, although we are fully aware of the potential dangers. But we are vitally concerned over the fate of the enterprises we are sponsoring and of the elemental human rights as well as of the powerful international relationships, all of which are now hanging in the balance. It is therefore with no merely academic interest that we are asking such questions as these. Now that the presidential election is over, what concrete actions, if any, will our Government take against Japan and what will be the Japanese response? Or will Japan prosecute her southward expansion, with the Dutch East Indies as the next objective, regardless of American interferences, and will this be carried forward in the near future or postponed until a more opportune time?

The consensus of opinion here is that the United States will not take the initiative in any course provocative of war, or in other words that it is Japan's next move. As to what this will be, there is a wide divergence of views or guesses. Those who know that country best or have come most recently from there seem to be convinced that no fear of defeat or of the most disastrous consequences can deter them from what they themselves describe as their immutable policy or destiny. This expansion both on the continent and among the islands southward has been in their plans for one or two generations as an integral feature of national policy. They have recently been under very strong Nazi pressure and have also themselves sought the axis alliance under the mistaken forecast of German victory over England and fears of German rivalry out here to their own ambitions. They are also supposed to be eager to divert the attention of their own people from the frustration in China to more promising achievements further afield. There is the imperative necessity of oil if no longer procurable from U. S. A.

But more determinative than all of these exigencies of the moment is the long instilled sense of their divine origin and mission, reinforced more recently by the bloc philosophy according to which Germany in Europe, we in the Americas and Japan in Eastern Asia, each leads in a geographical and economic grouping to the ultimate benefit even of those peoples who must at the outset be coerced into their respective alignments. Emperor-worship may be properly regarded as a symbol or a symptom of this racial megalomania rather than its unifying and motivating cause. It has been encouraged and exploited by the dominant military faction as an aid in their program. It is vehemently urged by those most familiar with Japan that this proud consciousness of imperial destiny, combined with a racial lack of flexibility and imagination, will drive them on with a fateful desperation, reckless of consequences, and that they are already in a mood akin to national insanity. Granting all of this, I still incline to the opinion that - while not deviating in the slightest from their cherished career of conquest - they will not necessarily press forward at an obviously inopportune time, such as the present would seem to be. It is purely a question of procedure. I recognize, on the other hand, that they have weighty arguments for striking southward now, and that their doing so is entirely within the range of possibility. But I stand by my previously expressed opinion that war between the United States and Japan is unlikely in the near future.

DECLASSIFIED: E.O. 11652, 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-

Even if such a war should break out, Yenching will attempt to carry on undisturbed. We shall maintain contact with the commanding officers for North China and ask for their advice and protection. If they refuse or reveal an unfriendly attitude we must have recourse to such other measures as may then be possible. We Americans shall accept any restrictions imposed upon us, such as confinement within our own campus. It seems improbable that we would be interned elsewhere, or carried off to Japan, or suffer physical violence. There would doubtless be anti-American agitations, affronts, annoyances, and more or less serious inconvenience to Chinese and others connected with American institutions. Our greatest danger would, however, be when the Japanese troops begin to withdraw in defeat from this area, when they might wreak revenge on helpless civilians and indulge in an orgy of lust and loot. There has been enough of this elsewhere in China for us to know what to expect. This will occur whether America comes into conflict with Japan or not, whether this is an immediate prospect or long delayed, unless the progress of events leads to a negotiated peace.

This last is still my guess as the more probable outcome, especially if our Government continues to bring economic pressure by degrees upon Japan and increases monetary and military aid to China. But our deliberate acceptance of the dire eventualities suggested above registers the intensity of our fear of greater dangers lurking within the Japanese myth of their sacred mission as a superior race. Other peoples have been guilty of this in the past, Nordic or Nazi arrogance has exposed its hideously hateful results in our contemporary life. We Anglo-Saxons have not been free from the taint. But nowhere else has this become so dominant and therefore dangerous a factor in the national life as in Japan. By inherited traditions, by rationalized philosophy, by religious sanctions, by absolutely controlled education and propaganda further stimulated by the urge to gain and glory, and by the circumstance of having never yet experienced a sobering defeat, this consciousness animates the entire nation and justifies the cruelties of unprovoked invasion as well as the aggravation of their own economic or other hardships regarded by them as sacrifices in a noble cause. It is the naive sincerity of this conviction which makes of it such a deadly menace.

How the principle of Japanese hegemony works out in actual application can be studied in the case of Manchuria about which, however, the controlled censorship allows but little real news to leak out. Manchuria was taken over less than ten years ago by a determined group of younger military officers in order to demonstrate the desirability of state socialism or state capitalism, they having been convinced of the hopelessness of such a reform in Japan itself. The undoubted tinge of idealism which prompted the adventure makes more poignantly significant the outcome to date. For all Manchuria gives the impression of a vast prison camp. Chinese long since disarmed, herded in the country into designated and heavily-guarded villages, registered and controlled by every device of imitated German thoroughness, are described as cowed and listless in demeanor. Instead of the cheery smiling patience which have been recognized as characteristic even of the poorest among them their faces now have a bleak spathy expressive of suffering injustice and the hopelessness of their outlook. Japanese high in authority there are quoted as admitting, not exactly failure, but the breakdown of Japanese methods which somehow do not suit the Chinese and the necessity for some other administrative procedure adapted to Chinese peculiarities.

The lack of their own economic success and the elimination of foreign trade interests have been sufficiently publicized through other sources. The destruction of Christian and cultural values is of more practical concern to us. Missionary work in Manchuria has been carried on chiefly by the Scotch and Irish Presbyterian Missions working in close association. They have determined on the closing of all

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

-3-

their schools because of the hampering restrictions and the compulsory shrine worship, all of which are part of the relentlessly enforced Japonization. This includes their medical and theological colleges. The hospitals are being closed for similar reasons. Their Chinese colleagues are helpless against not only imprisonment or torture but the threat to the families or neighbors of all who prove recalcitrant. In the new capital of "Manchoukuo" a national temple has been erected in which the Sun Goddess has been enshrined. There is a slightly ludicrous theologico-political issue, as to whether she can function both in Japan proper and in "Manchoukuo" which must be settled before she can be made the object of universal (compulsory) worship in the latter territory.

This gloomy picture of a Japanese attempt to create what they once described - and sincerely intended - as a "Paradise", supplies a grimly realistic blueprint of what would happen here or wherever else they penetrate. The identical patterns began here in embryo with their first occupation and are forming as rapidly as they dare to proceed. They have shown themselves utterly incapable of governing another people. They reproduce with no appreciation of Chinese racial conditions the precise forms of regimentation obtaining in Japan just as they imitate foreign articles of commerce in their industry. When Chinese resist or merely fail to comprehend they beat or kick or kill with a brutishness which discloses, among other characteristics, an incapacity for attaining their objectives by other means than force. They have established a monopoly control of every revenue-producing process, which is exploited with a rapacity in startling contrast with the gracious amenities we are accustomed to associate with this nation. Protected as all this is by the army, and indeed largely for the private profiteering of its higher officers, it takes every form of unprincipled racket or robbery. The worst is of course the diabolical traffic in opium and its cheap but deadly derivatives. Recent visitors have been impressed with a corrsening of Japanese life at home under the privations of economic strain and the tightening of totalitarian control.

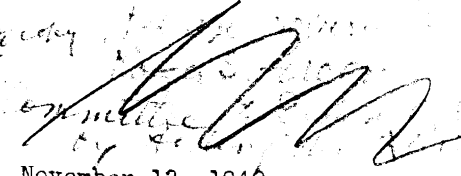
Much of this I have commented on in previous communications. I am doing so again with the solemn conviction that unless thwarted by factors they cannot overcome they will pursue their expansionist program in occupied parts of China and in all of south-east Asia and the adjacent island groups. Furthermore, this will result in disaster and misery for their victims, the ejection of all foreign interests except those they can temporarily utilize, and inevitable conflict later with the United States, unless the menace of this state of mind is promptly and firmly dealt with now when all the conditions for doing so are relatively favorable. This is the clear inference to be drawn from the history of Japanese occupation wherever this paralyzing blight has fallen on another culture than their own.

To bring this report to a more pleasing conclusion I should like to refer to an encouraging movement among a small group including some of the choicest students we have here now. We are very cautiously organizing those among them who prefer to leave for patriotic service in Free China if the University should be compelled suddenly to close. But this little group have a more constructive idea in mind. They claim to have learned something here more than the mere curriculum can teach which they describe as "the Yenching spirit". They want to bring this to bear on the national life, in needed political or social reforms, especially if the University itself must perforce be inactive. Their thought is to organize our graduates all over Free China to give a dynamic urge and corporate strength to the ideals which they rightly insist are more or less shared by all but require a vehicle to make them effective. These young enthusiasts feel that this will give them a mission and not merely an escape from danger or idleness, at the same time uniting former students in an objective which enables Yenching to continue functioning through them in what has always been her primary purpose. It is such evidence of the changed attitude and purpose so many of our students seem to gain while here that remind us how splendidly worthwhile is our undertaking and how full of hope is the future despite all present forebodings.

0837

DECLASSIFIED: E.O. 11652, 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

*Duplicate copy
 returned
 12/19*

 November 12, 1940

Dr. B. A. Garside
 150 Fifth Avenue
 New York, N. Y.

My dear Garside:

I am enclosing herewith another one of my reports.

A group of Japanese Christians have recently been making an effort to persuade Dr. L. J. Shafer of the Dutch Reformed Mission Board to return to America and advocate active efforts for peace through the Federal Council of Churches or other religious agencies and, if possible, by dealing directly with the Administration. As is usually the case with Japanese, they were quite vague as to the terms and finally indicated that, although they could speak with no authority, the continued control of railways in North China and the maintenance of their economic interests in that region, together with the occupation of the Shanghai-Nanking-Hangchow triangle for a period of years, might be acceptable. Any such proposals would not, of course, be given a moment's consideration by Generalissimo Chiang Kai-shek nor by the Chinese Government and people generally. Their advocacy by any responsible Americans would also seem to them to be a betrayal of China's rights. I said all this to Dr. Shafer. It is possible, however, that approaches will be made through others and I hope you will discourage any response on any terms less than the complete withdrawal of Japanese troops from all of China within the Great Wall.

More positively, I hope that all Americans whom we can help to influence will advocate increased aid to China, both in the form of loans and of needed supplies, as the most constructive solution. Further restrictions on sales of war materials to Japan will also help but neither of these methods could be regarded as a cause for war. The former, especially, accomplishes the purpose we have in mind with even less irritation of Japan.

There is in Japan at present an organized effort to end the war on terms that China could accept and to remove causes for British and American animosity, but this has to be carried on with the greatest caution and may or may not be an active factor in time to prevent an aggravation of the present policy. One active agent of this group was recently carried off from this city to Dairen to be kept in custody. It may be that I can write more fully about this movement and other more enlightened efforts even among their military in my next report; but a firmer American policy, if carried out with no needless affronts to so sensitive a people, will be a positive aid to all such efforts.

0838

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

December 18, 1940

In reply refer to
FE 793.94/16367

My dear Mr. Garside:

I acknowledge with thanks the receipt of your letter of December 7, 1940, with which you enclose a copy of a letter of November 9 received by the Board of Trustees of Yenching University from Dr. J. Leighton Stuart, and a copy of a letter of November 12 received by you from Dr. Stuart.

Dr. Stuart's letters have been read with interest and your courtesy in making them available to us is very much appreciated.

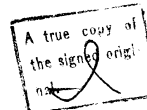
Sincerely yours,

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

Mr. B. A. Garside,
150 Fifth Avenue,
New York, New York.

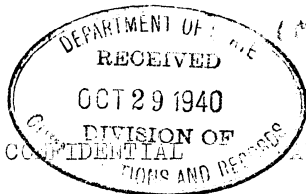
FE:EMC:MHP
12/17/40

DEC 18 1940



0835

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



STRICTLY CONFIDENTIAL

October 26, 1940

The following was received from the Naval Attache at Berlin under date of October 25, 1940:

BELIEVE THE UNVERIFIED RUMOR IS CORRECT THAT SIXTY OFFICERS OF GERMAN AND NAVAL AND AIR FORCE WENT TO JAPAN TO OBSERVE COLLECTION AND CONSTRUCTION OF FUEL DEPOTS AND BAYS FOR AIR AND NAVAL CRAFT. LIEUTENANT JURGENSEN COMMANDING SECURE CHARTS OF NAABA BONINS PALMES YAP RATEK BALINTANG SASDI AND ROTA CHANNELS. ALL MATERIAL TO BE LOADED ON CHINESE JUNKS FOR FORMOSA AND SAIPAN SOFT TO EACH PLACE. MEN OF GREAT EXPERIENCE FOR LONG TIME IN THESE AREAS. ASKANIA CO. PROVIDED SONIC DETECTING FINDERS TO THE NUMBER OF SEVEN FOR THIS JOB. SHIPS OF GERMANLY IN RUSSIAN OR CHINESE PORTS HAVE BEEN ORDERED TO PROCEED QUIETLY TO JAPANESE PORTS.

PLEASE INFORM THE DEPARTMENT OF STATE.

797.94/18768

PS/CO

FILED

DEC 13 1940

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

By

3/20/73



084

CROSS-REFERENCE FILE

SUBJECT There were no signs of military activity during the month except for the period between October 12 and 18 when Japanese plane carriers were somewhere in the vicinity.

793.94/ 16568 1/2

Dated Nov. 4, 1940 From Amoy (Merrell)
To _____

PS/VFV

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

FROM

HSM

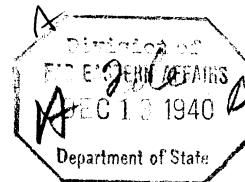
This telegram must be
 closely paraphrased
 before being communi-
 cated to anyone. (Br.)

Amoy via N. R.

Dated December 13, 1940

Rec'd 9:25 a. m.

Secretary of State,
 Washington.



54, December 13, noon.

Chungking's November 13, noon.

Nothing new during the past week.

Sent to the Department, Chungking, Peiping.

Repea ted to Canton, Swatow, Hong Kong and Hankow.

MERRELL

TFV

Japanese withdrawals

793.94/16369

PS/D

FILED
 DEC 13 1940

0842

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

TELEGRAM RECEIVED

HSM

Nanking via N. R.

This telegram must be
 closely paraphrased
 before being communi-
 cated to anyone. (Br.)

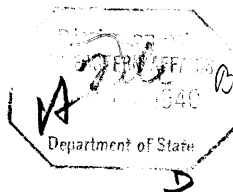
FROM

Dated December 13, 1940

Rec'd 1:40 p. m.

RECEIVED ORALLY
 TO ONE AND MID 12/14/40 JD

Secretary of State,
 Washington.



133, December 13, 11 a. m.

From two separate sources comes the report that
 General Itagaki has informed local Chinese officials
 that the present Cabinet in Japan is about to collapse
 and that he will be Minister of War in the next one.
 He is said to have warned them against putting any
 trust in the "Mitsui Bussan Kaisha crowd" of financiers
 who, he avers, do not have the interests of China at
 heart as does he.

The General is also understood to be influential
 in fomenting a "new Asia youth movement" designed
 eventually to provide Chinese leaders to replace the
 "corrupt gang" now here.

Sent to the Department. Repeated to Chungking,
 Peiping and Shanghai. Codz text by mail to Tokyo.

DDM

PAXTON

FILED

DEC 1 1940

793.64/16570

12/14

793.64
 12/14/40

sw

0846

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

TELEGRAM RECEIVED

FROM

PAW

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

KUNMING VIA CHUNGKING VIA N.

Dated December 12, 1940

Rec'd 1:40 p.m. Dec. 13.

SUBSTANCE COMMUNICATED ORALLY
12/13/40
Secretary of State

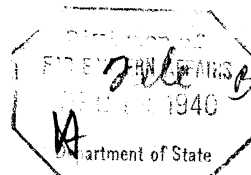
Washington

December 12, 10 a.m.

At noon yesterday twelve Japanese bombers and five
pursuit planes attacked the Kunming air field, dropping
an estimated 75 bombs and doing considerable damage to the
air school which was apparently their objective. One end
of the Administration Hall was hit, as was the Commandant's
office, the barracks, the Eurasia company's compound and
other smaller buildings. No planes were lost and no loss
of life. Hangars were untouched. Press reports state that
Kaiyuan was also attacked yesterday by nine bombers but
details not given. Sent to Department. Repeated to Peiping.

PERKINS

CSB



793.54/16371

78/01

FILED
DEC 19 1940

0844

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 17, 1940

~~GA~~
~~WAA~~
~~WAA~~

Chungking's despatch No. 707,
here attached, encloses a trans-
lation of a TA KUNG PAO editorial,
summarized on page 1 of the
despatch.

²⁰
FE: Davies

0845

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 707. Chungking, November 19, 1940

Subject: Transmitting Editorial on Far Eastern Relations and Policy.

Air mail

COMMERCIAL AFFAIRS
DIVISION OF
Department of State
DEC 23 1940
C2 11 AM 51 CHS ORO

File
WAX
ONI MID
CB

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

Sir:

1/ I have the honor to transmit as of probable interest an English translation of an editorial which appeared in the November 16, 1940 edition of the Ta Kung Pao, a Chinese daily which is commonly regarded as reflecting the opinion of the Chinese Foreign Office on the subject "Give no Chance to the Opportunist".

Summary of editorial: Japan has long dreamed of southward expansion and joined the axis in order to realize this dream. After joining the axis Konoye and Matsuoka threatened the United States but the United States accepted the challenge. In view of recent developments unfavorable to Japan, the latter is now endeavoring to practice deception, to mislead the United States. But at the same time Japan is taking steps to press on southward. Japan is an out-and-out opportunist power. Japan will continue

to

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

AIR MAIL

- 2 -

to follow its southward expansion policy; Japan cannot effect a rapprochement with the United States, these powers cannot come to an agreement unless Japan yields and abandons its present policy. But Japan will not abandon its policy of southward expansion. Only continuance of Chinese resistance plus Anglo-American cooperation can force Japan to yield. The British action in designating a commander in chief of operations at Singapore and the words of Colonel Knox of America indicate that Britain and America are taking steps to cope with Japanese ambitions. Meanwhile China must fight vigorously and not be misled by the Japanese.

I am transmitting the enclosed editorial because I believe it epitomizes present-day Chinese opinion, official and private. The Chinese are heartened by indications of aid from the United States and Great Britain and they are prepared to carry on the grievous and burdensome struggle against overwhelming odds as long as they believe that these two powers will in the end see the desirability of coming to the succor of China.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson

Enclosure:

1/ English translation of editorial,
 as described

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

800/710

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 to despatch no. 707 dated November 19, 1940 from American Embassy at Chungking on subject of "Transmitting Editorial on Far Eastern Relations and Policy".

TA KUNG PAO, Chungking, China

November 16, 1940

(Translation)

GIVE NO CHANCE TO THE OPPORTUNIST

Present world diplomatic relations are centered on the Tripartite Alliance. Since its conclusion Germany, Italy and Japan have formed one group and have extended the European war to the Far East. This has compelled Britain to reconsider its Far Eastern Policy and has caused the United States to give more attention to the Far East, thus inducing these countries to cooperate on the Pacific. For a long time Japan has been dreaming of southward expansion. When war broke out in Europe during September of last year, the Japanese shouted that a magic wind had come but after cool consideration they began to understand that their feet of clay were caught in the Chinese quagmire which rendered it impossible for them to speculate for gains. The collapse of Holland and Belgium and the defeat and capitulation of France last June again aroused Japanese desires. Japan "enlarged" the scope of the so-called "New Order in East Asia" by the addition of the word "Greater". In the meantime, Germany needed Japan's help in the Orient to embarrass Britain and the United States. Japan judged that Britain would be defeated and thought it a good chance to speculate. These were the factors that gave rise to the Tripartite Alliance.

When the alliance was about to be formed, Japan occupied Indochina. After the agreement was signed, Konoye and Matsuoaka made the threatening statement that Japan "would not hesitate to fight the United States". Should one like to ascertain whether Japan really desires to advance southward, we may accurately say that it decided to do so at the time when the alliance was signed. Thenceforth, there has been no question whether Japan wants southward expansion and the only question has been the ways and means of attaining this goal. Unfortunately for Japan, both Britain and the United States adopted a strong policy when Japan decided and was eager to make an attempt. In spite of threats, Britain reopened the Burma road; the American Secretary of the Navy, Knox, accepted Konoye and Matsuoaka's hostile statement by evacuating Americans and preparing for war. In Europe, not only Great Britain has not been defeated but has gradually attained a favorable situation. This is beyond Japan's expectation. As mentioned in this paper's editorial yesterday, Japan in its southward expansion expected and waited for three things: 1) the failure of Roosevelt to be re-elected - a contrary result has occurred; 2) development of hostilities in the Mediterranean and Near East - such a development had not been seen but Italy has

suffered

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

- 2 -

suffered reserves both in the Mediterranean and in the Balkan Peninsula; and 3) Japano-Soviet rapprochement - Tass in a message yesterday denied any agreement being reached to discontinue assistance to China. With all these expectations crushed, and in view of the increasing pressure by the United States, Japan has resorted to a smoke screen in order to deceive others. It has of late purposely created the atmosphere that the Tripartite Alliance is but nominal, that it does not wish to fight the United States, and that it will be satisfied by the acquisition of the right to purchase oil in the Netherlands Indies. Simultaneously, it has decided to appoint the pro-American Nomura as the next Ambassador to the United States. While it is playing these tricks, Japan is gathering forces in the South Seas area, applying pressure on the Governor General of Indochina, and attempting to occupy Saigon. The fact that Japan wishes to seize Saigon after its occupation of Haiphong is naturally a step in its southward expansion policy. If it succeeds in occupying Saigon, it will obtain control of Camranh Bay and will threaten Singapore. If Singapore loses its military value, Netherlands India will be out of question. The spokesman of the Japanese Navy in Shanghai did not deny the possibility of occupying Saigon. Under such conditions when Japan is gradually advancing southward, it is a serious mistake to think that Japan has not decided to adopt the policy of southward expansion.

Japan is an ambitious and a risky opportunist. We and our friends, in understanding and in action, must give it no chance. Japan will not fail to seize any chance available to it. The most accurate way of observing Japan's activities is to consider it as a most ambitious and a not very weak robber. Whatever he is able to do, he will do it; and whatever he can not do, he will devise means to do it. Every robber wants to loot and the question is how to loot. With this correct understanding, we wish to call the attention of the world to the following three points:

(1) That Japan's southward expansion policy has been definitely decided upon and is being carried out step by step. We can not expect Japan not to advance southward just like we can not expect it to withdraw its troops from China or to expect a robber not to loot. Japan has been allied with Germany and Italy, has occupied Haiphong, and wishes also to seize Camranh Bay which is a further step in its southward expansion and is preparing for further expansion. This situation is very apparent, so we can not say Japan's southward expansion policy has not been decided upon.

(2) Japan can not effect a rapprochement with the United States - the most strong proof is the Tripartite Alliance which is formed with the United States as the would-be enemy. So long as this alliance is not abolished, Japan has the obligation of embarrassing the United States for Germany and Italy. The atmosphere and tricks whereby Japan pretends to desire rapprochement with the United States are merely to deceive and beguile the latter. Not only the United States ought not to take them in, but also China must not misunderstand them.

(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 -

(3) The United States and Japan can not reach an agreement relating to the Far Eastern problem unless the latter yields. In the presence of ambitious Japanese militarists, Konoye and Katsuoka not only can not be awakened but also can not master the situation by voluntarily giving up the southward expansion policy and the invasion of China according to the wishes of Britain and the United States. To attain this goal China's armed resistance and Anglo-American cooperation are needed in intensifying the blockade against and pressure on Japan so as to force the opportunist to yield.

As Japan is preparing further southward expansion, Britain has decided to establish a Far Eastern Commander-in-Chief's Headquarters and has appointed Air Marshal Sir Robert Brooke-Popham as Commander-in-Chief to be stationed at Singapore, putting under his command all forces in Malaya, Burma and Hongkong and cooperating with British naval ships in regard to the Dutch East Indies. This is obviously to cope with Japan's southward expansion. American Secretary of Navy Knox in his speech day before yesterday said "we will have concern for China, I hope we soon will be able to aid China as we are now aiding Britain". In assisting China and in checking Japan, Britain and the United States seem to have gradually followed a correct course. On this correct course, we must not give the opportunist any chance, in understanding as well as in acting. If China fights vigorously and Britain and the United States apply pressure speedily, we shall not have to worry about Japan's not being defeated.

0850

DECLASSIFIED: E.O. 11652, 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

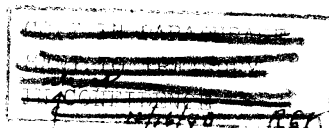
No. 708

Chungking, November 22, 1940
 1940 DEC 13 AM 11 26

AIRMAIL

DIVISION OF
 COMMUNICATIONS
 STRICTLY CONFIDENTIAL AND RECORDS

SUBJECT: TRANSMISSION OF TEXT OF MESSAGE



| | | | |
|----------------|-------|-----------|---|
| For Mr. [Name] | | Y* | |
| Grade | Field | In U.S.A. | ✓ |
| File | | | |

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

With reference to my telegram no. 580, November 22,
 12 noon, I have the honor to enclose a copy of the full
 text of the message mentioned in my telegram under reference.

Respectfully,

Nelson Trusler Johnson
 Nelson Trusler Johnson

Enclosure:

Text of message

Original and one copy to the Department by airmail.
 No copies to other offices.

BFD/wr

Confidential

DECLASSIFIED: E.O. 11652, 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. 708
 November 22, 1940
 from American Embassy
 Chungking, China.

TEXT OF MESSAGE

The main point of the proposals made by me some time ago is to give effect to the principle of co-operation between China, America and Great Britain, and to devise concrete measures for assistance to China. As to what method of procedure should be adopted, this is left to the American Government to decide.

We are well aware of America's traditional policy that no alliance is to be concluded with any country. But the present situation in the Far East requires from America consideration of the following two points:

- I. Support by America of Chinese-British mutual assistance and alliance.
- II. Issuance by America of a declaration jointly with Great Britain affirming their common stand in the Far East and their readiness to render all possible assistance to China, thereby enabling her to maintain her sovereignty and territorial and administrative integrity so as to restore international peace and order in the Pacific.

These two measures should be simultaneously carried out if the danger that now confronts China is to be averted, armed resistance is to be further strengthened and Japan's Far Eastern new order and Wang Ching-wei's intrigue centered round the creation of a puppet regime are to be frustrated. Otherwise China's domestic and international difficulties will be dangerously worsened. Our economic and military affairs have already been very bad, and Japan's recognition of Wang Ching-wei's puppet regime will have a tendency to accelerate the collapse of our armed resistance.

I would be lacking in frankness if I did not communicate the foregoing to our friend, America. I hope that the American government will be good enough to let me know as soon as possible whether it can support the concrete measures for assistance marked IV in my proposals and the suggested Chinese-British mutual assistance and alliance.

Typed: SKL
 Checked: TEW: SKL

A TRUE COPY: SKL

0856

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

DEPARTMENT OF STATE

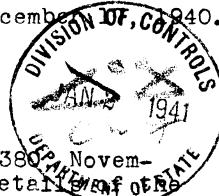
DIVISION OF FAR EASTERN AFFAIRS

December 16, 1940.

SA:
 WAA:
 JWB:
 MMH:

JMS

BA/H:



Reference Rangoon's 380, November 16, 1940, reporting details of the Japanese bombing on October 26, 1940, of the Central Aircraft Manufacturing Company plant at Loiwing, Yunan.

Thirty-six Japanese bombers participated in the raid. They arrived from the east, coming in over Burmese territory, thus avoiding the Chinese alarm system. About 150 bombs were dropped practically in a salvo, causing death estimated as high as 60 in number and injury to possibly 60 more. No American personnel were injured. Factory buildings were damaged, several airplanes were burned or damaged, but practically no important machinery and tools were affected.

After completing their raid the planes departed over Burmese territory where a straggler bomb was dropped near the Burmese village of Loiung. Since the bombing, equipment has been moved to temporary locations and American personnel have taken up residence on the

Burma

0853

DECLASSIFIED: E.O. 11652, 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

-24

Burma side of the border. The disposition of the Loiwing factory is under discussion at Chungking. One plan envisages distributing the factory in small units around the surrounding countryside. It is also possible that the factory may be moved to Burma or even to Bangalore, India.

The American legal adviser to the Central Aircraft Manufacturing Company and its parent organization, the Intercontinent Corporation, estimates that the factory at Loiwing represents an investment of more than \$1,000,000, and that the value of various materials at or ordered for the factory might increase the total investment to \$15,000,000.

793.94/16374

ED
FE:Davies:FRE

0854

DECLASSIFIED: E.O. 11652, 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. 380

AMERICAN CONSULATE GENERAL

Rangoon, Burma, November 16, 1940.

STRICTLY CONFIDENTIAL

SUBJECT:

1-1403

Bombing by Japanese of aircraft factory at
 Loiwing, China; equipment removed from build-
 ing pending decision as to future operations;
 Americans and some Chinese now living on Bur-
 ma side of frontier; casualties heavier than
 reported; extent of investments in plant and
 materials.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

in strict confidence 1/18/40

I have the honor to report, supplementing infor-
 mation recently transmitted to the Department, that the
 equipment of the aircraft factory of the Central Air-
 craft Manufacturing Company at Loiwing, China, which
 was bombed by the Japanese on October 26, 1940, has
 been removed from the buildings and placed at various
 points outside the factory area, because of fear of
 further bombing. It will be left where it now is un-
 til a decision is reached concerning the future of the
 factory.

As previously reported, the Americans employed
 by the company have erected temporary living quarters
 on the Burma side of the frontier. Some of the Amer-
 ican employees of the company have also moved their
 families across the border into Burma, while some
 others have settled themselves temporarily in villages
 near the factory site.

The Americans now at the factory number eight men,
 eight women, and five children. Seven Americans
 have left the factory since the bombing; five are re-
 turning to the United States, and two have joined the
 office staff of the Intercontinent Corporation in Ran-
 goon.

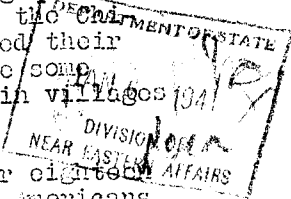
Japanese Bombers Flew Over Burma.

According to reports received in Rangoon from
 posts of the Burma Frontier Force and from other
 sources, there appears to be no doubt that the Japa-
 nese planes flew over Burma in proceeding from their
 base in Indochina to Loiwing, and in returning to
 their base after the bombing of the aircraft factory.
 One bomb which presumably failed to drop when released
 over Loiwing fell and exploded in Burmese territory.
 It is stated confidentially that a formal protest has
 been made by the British ambassador in Tokio as a re-
 sult of the reported violation of Burmese territory.

COMMERCIAL AFFAIRS
 Department of State

JAN 18 1941

DIVISION 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

-2-

A press release printed in local newspapers on November 1st read as follows:

"A place called Loiwing, near the Burma-China frontier, has been bombed by Japanese aeroplanes. There is an aeroplane factory there, in Chinese territory. Some damage was done and a few casualties caused. Details will be given as soon as reliably available."

Details of the Loiwing Bombing.

The following report of the bombing at Loiwing was furnished by George B. Arnold, an American citizen, who has been factory manager for the Central Aircraft Manufacturing Company, and who is now in Rangoon:

"The Loiwing Factory area was bombed on October 26th, 1940, at 1:30 p.m. Loiwing time.

"Thirty-six Japanese bombers arrived from the East coming in over Burma. They came in at 12 to 14,000 feet altitude and dropped all their bombs practically salvo.

"For the previous two weeks working hours had been changed so that active operations were suspended from 10 a.m. to 3 p.m. (the hours when bombings would be most likely to occur), and this precautionary measure saved probably hundreds of lives.

"The casualties were 35 workmen, their wives and children and 5 unidentified natives (not on company payrolls) killed and about 60 injured.

"No American personnel were injured in any way. Most all of the casualties were incurred while the people were running for safety after the short alarm was sounded.

"Since the planes came in over Burma they evaded the alarm networks through which long notice would normally have been received.

"The damage to buildings consisted of workmen's homes and village partially burned and many damaged by shrapnel and concussion. Direct hits on the factory proper were confined to one end of the assembly building and the power house. Several airplanes were burned or damaged on the runway. The damage to equipment and contents except as mentioned above was slight, there having been practically no damage to important machinery and tools.

"Altogether about 150 bombs of various sizes and types were dropped. The size and shape of the bomb pattern was such, that, had it been properly placed, the damage to life and property would have

been

DECLASSIFIED: E.O. 11652, 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-

been very extensive.

"After dropping their bombs the planes described a large circle at the West end of the property and flew slightly East of South over Burma. One straggler bomb fell and exploded in the mountains 3 to 3 1/2 miles south of Namkham village (Burma) about 3/8 of a mile from a Polaung village called Loi Ung.

"Since the bombing, equipment has been removed to temporary locations, and all personnel have prepared temporary living quarters on the Burma side."

Chinese Physician Reports Sixty Killed.

A young Chinese physician who was employed by the Central Aircraft Manufacturing Company at Loiwing, and who has come to Rangoon since the bombing, reports that sixty persons were killed, a number having been burned to death, and that ten others died of injuries received. The patients in the Loiwing hospital at the time of the bombing, and those persons seriously injured as a result of the bombing, were taken to the American Baptist hospital at Namkham, Burma. It was reported to the authorities here that three British subjects—two Indians and one Burman—were among those killed at Loiwing.

Among the airplanes damaged by bombs was a Sikorsky amphibian used by Generalissimo Chiang Kai-shek, which was at the Loiwing factory for overhauling, and a Condor plane used by the company for transport purposes. The latter plane was completely wrecked. Seven Ryan training planes were damaged, but it is stated that some of these can be repaired and made available for service.

Factory Discussions in Chungking.

The question of what is to be done with the Loiwing factory is now being discussed in Chungking, where Edward Pawley is representing his brother, William D. Pawley, head of both the Central Aircraft Manufacturing Company and the Intercontinent Corporation, which latter controls the stock of the operating company. It is recognized that the factory can be bombed at will by the Japanese from the bases they now have in Indochina, and that even with extensive defenses it might be difficult to operate the factory in its present form. A plan reported to be favored by some of the Chinese is for the division of the factory into several units, these to be placed at relatively protected places in the hills near Loiwing and to be connected by roads, twenty miles or more of which would have to be built. The removal of the factory to some place in Burma is a possibility, but this would require both the sanction of the British Government and the approval of the Chinese Government. Another possibility is the transfer of the factory equipment and materials to

Bangalore

DECLASSIFIED: E.O. 11652, 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-

Bangalore, India, for the projected airplane factory there, but the Chinese Government would probably not agree to this unless there was an arrangement for the delivery of aircraft to China.

Estimated Extent of Investments.

Dr. George Sollett, an American attorney of Shanghai, who acts as legal adviser to the Central Aircraft Manufacturing Company and the Intercontinent Corporation, and who was recently in Rangoon on his way to India in connection with the projected aircraft factory at Bangalore, estimated that the factory at Loiwing represents an investment of more than \$1,000,000, and that the value of aircraft materials at the factory, in storage at Bhamo and Rangoon, on the way and on order, might bring the total investment to \$15,000,000.

Respectfully yours,

Austin C. Brady
 Austin C. Brady
 American Consul

Distribution:

1. In quintuplicate to Department.
2. Copy to Embassy, London.
3. Copy to Embassy, Chungking.
4. Copy to Consulate, Kuming.

800
 ACB/cp

0858

DECLASSIFIED: E.O. 11652, 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

JI

GRAY

FROM

Shanghai via N. R.

Dated December 14, 1940

Rec'd 10:41 a.m., 15th

COPIES SENT TO
O.N.I. AND M.I.D.
12/16/40 REK

Secretary of State

Washington

1393, December 14, 1 p.m. 16361

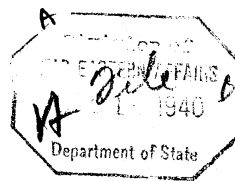
Reference Shanghai's 1357, December 7, noon.

According to information received from the Japanese Consulate General this morning, blockade of the western area which has now been in effect for two weeks is to be lifted at noon today. It is understood however that some lanes leading off extra settlement roads in the affected area will continue to be blocked by barricades.

Sent to the Department, repeated to Chungking and Peiping, by air mail to Tokyo.

LOCKHART

CSB



793.34/16375

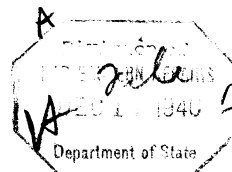
FILED
DEC 14 1940

0860

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

TELEGRAM RECEIVED

FROM



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

Hong Kong via N. R.

Dated December 16, 1940

Rec'd 4:35 a.m.

Secretary of State,

Washington.

480, December 16, 9 a.m.

Refer to Chungking's November 13, noon.

792-14
We have no reliable information of Japanese military
or naval movements of significance in the Hong Kong area
during the past week.

Sent to the Department. Repeated to Chungking,
Canton and Peiping.

SOUTHARD

DDM

752.64/16277

PC/CI

FILED

DEC 18 1940

0861

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 Document purporting to be telegram from the
Commanders and Deputy Commanders and new
fourth armies, reportedly in reply to
telegrams despatched to the Communist mili-
tary leaders by the National Government in
October.
Informs of obtaining -.

r^r

For the original paper from which reference is taken

See Tel. #592, noon
(Despatch, telegram, instruction, letter, etc.)

Dated Nov. 29, 1940 From China (Chungking) Johnson
To

File No. 893.00/14599

793.04/16378

79344

0862

DECLASSIFIED: E.O. 11652, 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 Withdrawal of Japanese military forces from Kwangsi.

Reports,- without noticeable interference on the part
of the Chinese.

FLH

793.94/16379

For the original paper from which reference is taken

See Tel # 605 11 am SECTIONS 1, 2, and 3
(Despatch, telegram, instruction, letter, etc.)

Dated Dec. 4, 1940 From China (Chungking)
To (Johnson)

File No. 893.00/14600

DECLASSIFIED: E.O. 11652, 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 hostilities.

Informed that the National Government
 and the Chinese Communists would be
 able to follow a policy of compromise
 and thus avert an open schism during
 the course of -.

rr

For the original paper from which reference is taken

See Tel. #612, noon
 (Despatch, telegram, instruction, letter, etc.)

Dated Dec. 7, 1940 From China (Chungking) Johnson
 To

File No. 893.00/14601

09291/100.297

06346

0864

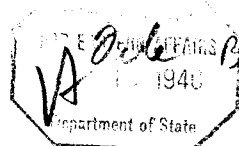
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JI This telegram must be Chungking via N. R.
 closely paraphrased before being communicated
 to any one. (br) Dated December 16, 1940
 FROM Rec'd 3:40 a.m.

12/17/40 JD

Secretary of State
 Washington



December 16, 9 a.m.

Following from Kunming: "December 13, 10 a.m.

According to the local press two squadrons of Japanese
 planes of nine each yesterday bombed Yunnanyi and an
 unnamed place to the west. Hsiangyun and Yungping on
 the Burma Road were machine gunned. Other but unconfirmed
 reports state that the air field at Yunnanyi and the
 Mekong River bridge were bombed, the former with some
 damage, but the bridge was not hit.

December 14, 4 p.m.

Yesterday eighteen Japanese aircraft in two groups
 attacked Kaiyuan and Kochiu. Damage is not reported
 although casualties stated by press to have been few.
 A foreigner who has recently been south on the railroad
 reports that some bombings of railway towns have had
 military concentrations as their objectives, as many
 troops are being moved toward border points.

733.94/16361

12/16/40

It
 12/16/40

FILED

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

TELEGRAM RECEIVED

JI-2-#-December 16, 9 a.m. from Chungking via N. R.

It is reliably reported ^{FROM} that during December 12
attack on Yunnanyi, eighteen Chinese planes were destroyed
on the training air field by Japanese pursuit craft, as
no warning was received at that place".

Sent to the Department. Repeated to Peiping.

JOHNSON

DDM

086F

DECLASSIFIED: E.O. 11652, 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 **FROM**
to anyone. (br)

Swatow via N. R.

Dated December 16, 1940

Rec'd 12:45 p.m.

Secretary of State,

Washington.

36, December 16, 4 p.m.

Chungking's November 13, noon.

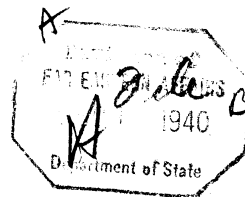
There were no developments last week.

Sent to the Department. Repeated to Chungking, Peiping.

FORNES

TFV

Japanese withdrawals.



753.94/16382

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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

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

FROM PEIPING VIA N.R.
 Dated December 16, 1940
 Rec'd 2:03 p.m.

12/18/40
 Secretary of State

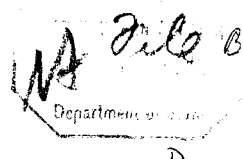
Washington

519, December 16, 3 p.m.

Peiping's 497, November 29, 4 p.m. - activities of
 Eighth Route Army.

An American businessman from Shihchiachuang who arrived
 here recently on a visit has confirmed the two train wrecks
 near Paotingfu mentioned in the telegram under reference;
 he stated that several dozen Japanese soldiers were killed
 by Chinese rifle fire after the wrecks. He also reported
 that on his trip here he saw the debris of another train
 which was entirely wrecked by Chinese mines between Paotingfu
 and Chochow on the night of December 11-12; several of the
 cars were blown to pieces and the remainder were telescoped
 and derailed. He also reported considerable damage to tele-
 graphs along the line between Shihchiachuang and Peiping.

Traffic on railroad between Peiping and Tientsin was
 suspended for several hours by the wrecking of a Japanese
 military supply train near Anting on the night of December
 13-14. Secretary Ringwalt who traveled to Tientsin on Decem-
 ber 14 saw the wreck and reports that the engine, tender and
 at



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

PAW -2- 519, December 16, 3 p.m. from Peiping

at least one car were derailed and burned and that several charred bodies were seen; a temporary track was built around the wreck.

Reports have been received from usually reliable sources of a wreck of a Japanese military train on the Tungpa Railway in Shansi near Taiyuan on the night of December 10; no details are yet available.

All of the above wrecks are attributed to Eight Route Army forces.

Sent to the Department, repeated to Chungking, Shanghai, by air mail to Tokyo and mail to Tientsin.

SMYTH

WFC

0869

DECLASSIFIED: E.O. 11652, 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. 145

AIR MAIL

AMERICAN CONSULATE

Kunming (Yunnanfu), China, November 20, 1940.

SUBJECT: Japanese Bombing of Plant of Central
Aircraft Manufacturing Company at
Loiwing, Yunnan.

RECEIVED
DIVISION OF
COMMERCIAL AFFAIRS
DEPARTMENT OF STATE
NOV 23 AM 10
SENT TO TREASURY
IN CONFERENCE
12/26/40 REX

Division of
FAR EASTERN AFFAIRS
DEC 12 1940
Department of State
m d

The Honorable
The Secretary of State,
Washington.

Handwritten: *Brown ONI after MID To Treasury Conference*

Sir:

SENT TO
AFTER
O.M. MID
12/24/40 REX

I have the honor to transmit herewith for the
Department's information a copy of a memorandum on the
above subject prepared by Vice Consul Stephen C. Brown
of this office, who visited the plant of the Central
Aircraft Manufacturing Company during a recent trip
to Burma.

COMMERCIAL AFFAIRS
Department of State
JAN - 8 1941

Respectfully yours,

Troy L. Perkins
Troy L. Perkins,
American Consul.

Enclosure:-

- 1/ Memorandum prepared by
Vice Consul Brown dated
November 20, 1940.

In quintuplicate to the Department,
original and one copy by air mail.
Copy to Embassy, Peiping.
Copy to Embassy, Chungking.

800
SCB:Epy

703.04/10334
19/01
GS/AC
16314

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

Enclosure to despatch no. 145 dated November 20, 1940 from Consul Troy L. Perkins, Kunming, China, to the Department of State, entitled: "Japanese Bombing of Plant of Central Aircraft Manufacturing Company at Loiwing, Yunnan."

MEMORANDUM

November 20, 1940.

While in Lashio I hired a car and visited the plant site of the Central Aircraft Manufacturing Co. at Loiwing, arriving there on November 18 and remaining until 11.40 A.M. November 19. I was shown over the plant by an American employee of the firm.

According to the reports of the Americans who were at Loiwing on the day of the Japanese bombing (October 26, 1940), thirty-six planes appeared over the plant at 1.27 P.M. and immediately commenced bombing. No advance warning was given, and employees of the company, including the American employees, had only about three minutes in which to evacuate the scene before the bombs began to explode.

The Japanese came in from the east, flying a course almost parallel to the Shweli River, which here flows in an approximately west to east direction and forms the boundary with Burma. The first bombs dropped in a paddy field just east of the plant site, and the bomb pattern was placed from that point on in a slightly off-center position with reference to the factory site. The last bomb dropped just beyond the western end of the landing strip of the airfield, a few hundred yards from the area in which the quarters of American employees were located.

So far as could be determined only one direct hit was scored on the factory itself, a heavy bomb striking the eastern end of the main assembly building and causing heavy damage there. The power plant, which was located near this point, was untouched, although liberally sprayed with bomb fragments. The center of the pattern was placed on the workmen's quarters, located across the landing strip from the factory; the strip itself was also heavily bombed.

Material damage to the factory itself was slight. Although all the machinery had been removed when I visited it, I was informed that practically all of it was saved. This I can easily believe, as there was no evidence of any serious damage to the buildings except for the end of the assembly building mentioned above.

At the time of the bombing five recently-completed Ryan training planes and a Sikorsky belonging to the Aeronautical Commission were stored in the part of the building destroyed. The Ryans were completely demolished, but it is stated that the Sikorsky can be repaired, the chief damage being to the skin and fuselage. A Condor transport plane belonging to the company, which was standing on the field when the Japanese came in, was totally destroyed. Two other recently-finished Ryans were in the air being test-flown at the time and escaped.

Casualties

0871

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

-2-

Casualties among the workmen totalled about forty; many of their houses were badly damaged or destroyed. No Americans were hurt. The Americans have since evacuated their quarters and have set up temporary quarters on the Burma side at Manwing and Rankham. It should be noted that many of them have no permits to reside in Burma, but an attempt is being made to arrange for them in Rangoon.

I was informed that the present plan is to set up the plant again in China, in isolated units strung out along a sixteen mile front. Some of the Americans with whom I talked were not very hopeful that this would reduce the danger of air raids very much, while it is obvious that it will hamper and slow down production. At the present time practically nothing is being done, the company's efforts being directed entirely toward the problem of reorganizing along the new lines. I was told that the morale of the workmen has not been greatly shaken, and that they now work from 5 P.M. to 10 P.M. in the evenings. They also have evacuated their quarters and now live in small villages on the Chinese side.

As mentioned above, practically all the machinery has been removed already with the exception of one diesel electric plant which is furnishing lights for the factory site. The machinery is said to be stored in various places throughout the area.

Opinion among the Americans differs as to whether the Japanese made a deliberate attempt to avoid bombing their quarters. Some seem to think that they released their bombs too soon for this reason; others, and apparently the majority, believe that it was merely an example of poor marksmanship and timing. It was said that had the raid come about five minutes later it would have caught the entire American personnel crossing the airfield, returning to the factory after their lunch hour.

(initialed) SCB

Copied by: Epy

Compared with: *cyf*

0872

DECLASSIFIED: E.O. 11652, 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



12/70

J.D.
~~Waa~~
~~Rom~~
~~Waa~~
 P.H.H.

Here are two air mail despatches in regard to the bombing of the aircraft manufacturing plant at Looching. (One is based upon an eye-witness account of Mr. Pawley, an American representative of the Company. I suggest that you read the covering despatch of this (top) despatch and the marked portion on p.p. 2-3 of the enclosure.

The second despatch transmits a memorandum prepared by Vice Consul Brown who visited Looching. His account contains nothing which is not covered in the first despatch.

Jm f

087

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



EMBASSY OF THE
 UNITED STATES OF AMERICA

No. 704

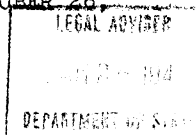
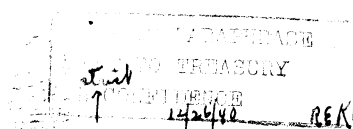
Chungking, November 19, 1940

SUBJECT: BOMBING OF CENTRAL AIRCRAFT MANUFACTURING
 COMPANY AT LOIWING, YUNNAN ON OCTOBER 26,
 1940

STRICTLY CONFIDENTIAL

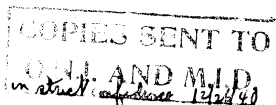
AIRMAIL

NOV 25 11 25 AM '40



793.34/16335

ONI 8 MLD
 Treasury in confidence



The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

- 1/ I have the honor to enclose for the confidential information of the Department a copy of a report (without specified maps which were not available) which I have obtained from the local American representative of the Central Aircraft Manufacturing Company, Mr. E. Pawley, in relation to the bombing of the Loiwing (Yunnan) factory of the Central Aircraft Manufacturing Company by Japanese airplanes on October 26, 1940.*

Summary

*See Kunming's telegram of November 1, 7 p.m. to Chungking, which was repeated to the Department in Chungking's November 3, 12 noon.

DECLASSIFIED: E.O. 11652, 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 -

AIR MAIL

Summary of report: The factory was bombed by 36 Japanese planes on the afternoon of October 26, 1940. There was no preliminary alarm since the planes came from the direction of Burma. Approximately 150 bombs of various types and sizes were dropped. One bomb fell well within Burmese territory. As a result of the attack 40 persons were killed on the factory grounds and at least 60 injured. The power house, final assembly building, employment office, transportation building and various houses suffered varying degrees of damage. Three planes were burned and eight others were damaged. Other damage was negligible.

Mr. Pawley, who witnessed the raid, orally informed an officer of the Embassy that the 40 Americans at Loiwing all had miraculous escapes from death or injury and he averred that the toll of native employees would have been much greater if the Company had not previously instituted precautions by closing the plant daily between 10 a.m. and 3 p.m. He said that the damage caused by the Japanese raiders was in fact not heavy, but the Company was content to let the impression get abroad that the plant had been severely damaged. The Company had made no announcement of the bombing and did not intend to do so, Mr. Pawley said.

The informant declared that the British authorities were fully aware of the action of the Japanese planes in flying across the territory of Burma and that he personally was cognizant of the fact that the British authorities had investigated the bombing of the factory as well as of the dropping of one bomb in Burmese territory. He asserted that he was not informed whether the British authorities had lodged a protest with the Japanese Government in respect of the violation of the territory of Burma; he seemed rather inclined to doubt whether the British had done so.

Mr. Pawley said that work was continuing at the factory and denied that there was any intention of ceasing work or of removing the factory. He said that all Americans now domiciled at the factory, who with dependents now number about 40, are remaining at or near the factory and have no intention of withdrawing notwithstanding the advice of the American Government to do so. He said that in the future the majority of the personnel planned to cross well into Burmese territory when alarms were sounded. Mr. Pawley said that the raid of October 26 was the first experienced by the factory, although what appeared to be Japanese reconnaissance planes had flown over the factory previously on two or three occasions and had even scouted as far as Bhamo in Burma.

Mr. Pawley did not indicate whether the Central Aircraft Manufacturing Company intended to lodge a protest in regard to the bombing in question, but he asserted that the New

York

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

- 3 -

AIR MAIL

York office of the Company was "in close touch with the Department of State" in regard to various affairs of the Company (the status of which was believed to be the subject of correspondence between the Department and the Consulate General at Hankow in the early months of 1938). Mr. Pawley emphasized that he was supplying the Embassy with a copy of his report for its confidential information and not for any other purpose.

Respectfully yours,

Nelson Trusler Johnson
Nelson Trusler Johnson

Enclosures:

1/ Copy of report as above.

Original (by airmail) and four copies by pouch (through
Hong Kong)
Copy to Kunming
Copy to Rangoon

EFD/wr

0876

DECLASSIFIED: E.O. 11652, 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. 704 dated November 19,
 1940 from American Embassy at Chungking)

(C O P Y)

Report of Bombing of Loiwing
 by Japanese Planes

The Loiwing factory area was bombed by Japanese planes on October 26th, 1940, at 1:30 P.M. Loiwing time. The bombers came in a group of 27 planes followed at approximately a one mile interval by 9 others, making a total of 36 planes. No preliminary alarm was sounded since no advice concerning enemy planes was received from the usual radio network, which consists of stations at Kunming, Chuching, Yunnanyi and Paoshan. This absence of a preliminary alarm may be accounted for by the fact that the enemy planes came to Loiwing across Burma, thereby avoiding the network. However, about 3 minutes before our urgent alarm was sounded our listening post, which is located six miles out, had reported by telephone to Air Defence Headquarters that they heard planes. These were then believed to be several Chinese Government trainers which were being flown by military ferry pilots preparatory to flyaway. A short urgent alarm was sounded about 5 minutes before the arrival of the planes, their presence having been definitely detected by the CAMCO listening post when the planes actually came within their range of vision.

The Japanese planes were first seen over Burma approaching Loiwing. The direction from which the planes arrived is indicated on the large map attached hereto marked Exhibit "A". The entire complement of approximately 150 bombs was dropped almost salvo, there being practically no clear lull between explosions.

An examination of bomb craters indicates that various sized bombs were used ranging in size and type from incendiaries and fragmentation up to 500 lbs. demolition. Of the total number, 5 or 6 duds have been located.

After the bombs had been dropped the planes made a turn to the South over the extreme West edge of CAMCO and straightened out over Burma.

Before reaching the mountain range to the South the entire group re-formed so that the 9 trailing planes joined up with the leading 27. The flight path of the planes on leaving is shown on Exhibit "A". This direction is obtained from innumerable competent witnesses. It is verified by the fact that after leaving Loiwing one of the planes dropped a bomb which fell in Burma about 5½ miles from the China Burma border. The location of the Burma bomb crater is about 3/8th of one mile South of Loi Wun, about 3½ miles South of Namkham. The exact location is marked on Exhibit "A".

We understand that the bomb crater has been inspected by British Burma officials. It has also been inspected by two Americans connected with CAMCO. Their report states that the bomb landed near the top of a very steep hillside which almost completely encircles a small rice paddy. The point at which the bomb struck the hill is approximately 150 feet above paddy level. The explosion of the bomb was sufficiently powerful to dislodge many cubic yards of top soil and underlying sandstone which was blown into a small ravine leading toward the rice paddy. The force of the explosion also removed the tops from all surrounding bamboo trees and other small growth. The indications are that the bomb must have

been

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

- 2 -

been about 200 lbs in size.

The locations of bomb hits are shown on Exhibit "B". It will be noted that the approximate sizes and types of bombs are indicated on Exhibit "B".

As a result of this bombing 35 CAMCO employees and members of their immediate families and one staffman have died. The bodies of five unidentified natives not employed by CAMCO were found. Approximately 80 individuals were admitted to the hospital for treatment of injuries. The majority were killed or injured while running from the sheds and houses out into the open fields. It must be understood that the factory was working from 7 to 10 A.M. and from 3 to 8 P.M. in order that the working area would be free of personnel during the time when bombing raids might be expected to occur. All personnel had been cautioned to avoid large groupings and hold themselves and families in readiness to evacuate in the event of an alarm. This measure saved a great many lives.

The following list gives a general idea of how these casualties occurred:

Three women, two children and three workmen were buried in a dugout at the corner of the class "B" houses as indicated by "A" on Exhibit "B". This dugout was constructed by a group of workmen on their own initiative and although of suitable construction to afford protection against shrapnel it was not strong enough to withstand the direct hit it received.

One workman, three women and five children were burned to death in the fire that enveloped and destroyed the Market area and the B & C married workmen quarters as indicated by "B" on Exhibit "B". This fire was the direct result of incendiary bombs.

One military guard was killed by the bomb which struck the entrance to the factory as indicated by "C" on Exhibit "B" and the second guard was killed by the bomb which fell directly behind the power house as indicated by "D" on Exhibit "B". Both guards were on duty and were killed at their posts.

One staffman who was stationed in the power house in connection with air raid alarm system was killed by the bomb as indicated by "D" on Exhibit "B". This man was responsible for sounding the urgent alarm which warned the civilians of the approach of the bombers. It was not until after a complete alarm was sounded and the electrical power shut down that this staffman retired from the power house toward a dugout located behind the power house, placed there for his safety. He was killed before reaching his dugout, the bomb as indicated by "D" falling directly in his path.

Material damage may be summed up as follows:

Loiwing Market area burned out completely

Power house building suffered serious damage to non-structural parts but the damage to equipment and machinery was negligible.

East end of final assembly building directly hit and 100 feet of this building demolished or severely

damaged.

DECLASSIFIED: E.O. 11652, 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 -

damaged. 400 feet of this building undamaged
 One Condor airplane burned on runway
 One Ryan trainer burned on runway
 Two Ryan trainers damaged on runway but repair-
 able
 One Ryan trainer burned in final assembly
 Five Ryan trainers damaged in final assembly
 The last five of these Ryans contain salvage-
 able parts including engines and equipment
 One Sikorsky amphibian damaged in final assembly
 by shrapnel and concussion. This plane can be
 rebuilt.
 One truck (owned by contractor) containing cases
 of aluminum sheet burned
 One staffman house completely demolished by dir-
 ect hit ("E" on Exhibit "B")
 The number 2 houses on Exhibit "B" all suffered
 some damage such as shattered glass and plaster
 and roof damage due to concussion and shrapnel.
 Employment office directly hit, completely de-
 molished
 Some damage was done to sensitive instruments
 at various places in the plant due to concussion.
 Transportation building and some other buildings
 suffered some non-structural damage.

Aside from the specific items mentioned above, the
 damage done to buildings, equipment, machinery, materials
 and tools was negligible.

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

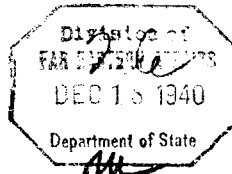
NO. 28
NO.

Embassy, China.

AMERICAN CONSULATE GENERAL

Shanghai, China,
November 5, 1940.

COPIES SENT TO
O.N.I. AND M.I.D.
12/19/40 REK



SUBJECT: Dropping of Bombs in the Vicinity of the
U.S.S. TUTUILA and the American Embassy
at Chungking in the Course of Japanese
Air Raid of October 25, 1940.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

CNI + MID

SIR:

I have the honor to refer to telegram No.
544, October 25, 6 p.m. from the American Embassy
at Chungking in regard to the Japanese air raid
over Chungking on October 25, 1940 in the course
of which the Japanese bombing planes followed a
course immediately over the American Embassy and
the U.S.S. TUTUILA. Aerial bombs were dropped
within 300 yards of the Embassy and the American
warship.

1/ There is now transmitted, as a matter of
record, a copy of a letter dated October 29, 1940
addressed by this Consulate General to the Japanese
Consul General at Shanghai in which the above facts
were brought to his attention. It was requested
that

753.94/16386

DEC 20 1940

FILED

16386

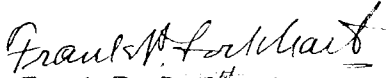
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

- 2 -

that the information in regard to the above mentioned bombing be forwarded to the appropriate Japanese authorities, and that strict instructions be issued by them to insure that precautionary measures be taken to prevent damage to the American Embassy at Chungking and the American gunboat stationed there.

Respectfully yours,


Frank P. Lockhart
American Consul General

✓
Enclosure:

- 1/- Copy of letter to Japanese Consul General at Shanghai, dated October 29, 1940.

In Quintuplicate:

Copy to Embassy, Peiping.

Copy to Embassy, Chungking.

Copy to Embassy, Tokyo.

Copy to Consulate General, Hankow.

Copy to Consulate, Kunming.

350.
MET:LF

DECLASSIFIED: E.O. 11652, 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. 28 of Frank P. Lockhart, American Consul General at Shanghai, dated November 5, 1940, on the subject: "Dropping of Bombs in the Vicinity of the U.S.S. TUFUILLA and the American Embassy at Chungking in the Course of Japanese Air Raid of October 25, 1940."

COPY

AMERICAN CONSULATE GENERAL
 Shanghai, China,
 October 29, 1940.

350.
 CAC:LF

Sir and dear Colleague:

I have the honor to inform you that a telegram has been received from the American Embassy at Chungking stating that during a Japanese air raid on Chungking on October 25, 1940, heavy bombers followed a course immediately over the American Embassy and the U.S.S. TUFUILLA and dropped bombs, the nearest of which fell about three hundred yards north of the Embassy and the American gunboat named. The telegram from the American Embassy added that altogether eleven bombs fell on the south bank of the Yangtze River, some of them well within the Japanese designated safety zone.

It is requested that the foregoing information be communicated to the appropriate Japanese authorities and that stringent instructions be issued by them without delay to insure that the safety of the American Embassy at Chungking and the American gunboat stationed there will not again be imperiled by the operations of the Japanese armed forces.

I have the honor to be,
 Sir and dear Colleague,
 Your obedient servant,

Frank P. Lockhart
 American Consul General

T. Moriuchi, Esquire,
 Japanese Consul General,
 Shanghai.

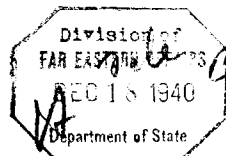
Copied by LF

0882

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

TELEGRAM RECEIVED

FROM



AS

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

Kunming via Chungking & N.R.

Dated December 16, 1940

Rec'd 12:32 p.m., 17th

Secretary of State,
Washington.

December 16, 6 p.m.

Eight invading light bombers on December 14 dropped 13 bombs at the hydro electric plant at Shih-lungpa about 23 kilometers southwest of Kunming. Company officials state that no serious hits made, although press announces, possibly for effect, that damage done necessitates use of other sources for city's electricity.

On the same day nine bombers went to the west, apparently attacking Mekong Bridge. There are conflicting reports of damage done, with no definite information yet obtainable.

Newspapers report that eight planes yesterday attacked the western part of the Burma Road, but as usual the place and results are not given.

Sent to the Department. Repeated to Peiping.

~~JOHNSON~~ PERKINS

CSB

753.94/16387

PS/01

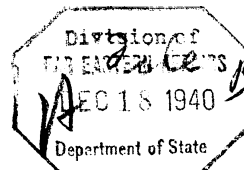
FILED
DEC 18 1940

0882

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

TELEGRAM RECEIVED

FROM



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

Canton via N. R.

Dated December 17, 1940

Rec'd 9:24 p.m.

12/19/40 JD

Secretary of State,
Washington.

115, December 17, 5 p.m.

Available information indicates that there have
been recent Japanese troop movements into ^{and} ~~the~~ out of
the Canton area, some possibly coming from Hankow.
It is believed that these movements are connected with
routine replacements and do not indicate any material
change in the military situation.

Sent to Department, repeated to Chungking, Peiping,
Hong Kong, Hankow.

WWC

MYERS

FILED
DEC 28 1940

733.94/16386

PS/CI

0884

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

TELEGRAM RECEIVED

JR FROM Peiping via N. R.
 This telegram must be closely paraphrased before being communicated to anyone. (br)
 12/19/40 TD
 SECRETARIAL COMMUNICATIONS ORALLY
 Secretary of State, Rec'd 10:23 a.m.

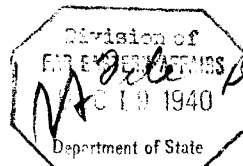
Washington.

524, December 18, 4 p.m.

Peiping's 497, November 29, 4 p.m.; and 519,
 December 16, 3 p.m.

The source mentioned in the first sentence of Peiping's 497 now reports that another train was wrecked by guerillas north of Paotingfu on the early morning of December 14. Fifteen cars and the locomotive being badly damaged. Apparently the subsequent road repair work was too hasty as a Japanese troop train which attempted to pass over on December 15 was derailed; casualties were few. After more thorough repair the road was reopened for traffic December 16.

The same source reports heavy Japanese troop movements from Tengku and Tientsin south on the Peiping-Hankow Line since December 10 and believes that one or two Japanese divisions have been sent to the north Honan or Shensi fronts; informant states that these are fresh troops. It is not known whether they are replacements or reinforcements to be used possibly in operations



793.94/16389

PS/JI

FILED
 DEC 20 1940

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- #524, December 18, 4 p.m., from Peiping.

operations against Chengchow or in Shansi.

Sent to the Department, repeated to Chungking,
Shanghai, code text by air mail to Tokyo and by mail
to Tientsin.

SMYTH

WWC

0886

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

JR

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

TELEGRAM RECEIVED

Hong Kong via N. R.

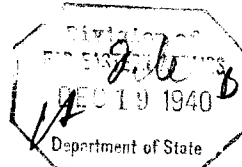
Dated December 18, 1940

Rec'd 11:04 a.m.

CONFERENCE: DISSEMINATED ORALLY FROM
 TO CRI AND THE 12/19/40 JD
 Secretary of State,

Washington.

485, December 18, 10 a.m.



I have learned from a reasonably reliable source
 that during recent days the Japanese have progressively
 increased their bombing from the air of the trade route
 from Mirs Bay via Haichow to Shiukwan but with apparently
 little effect on the active movement of merchandise
 which over considerable stretches of the route is
 moved entirely by coolie power. A few hundred people
 have been killed but effect on morale appears to be
 unimportant.

There has lately been some movement of troops in
 the area of the Kowloon-Canton Railway and some sources,
 not entirely reliable, indicate that perhaps three or
 four thousand Japanese troops from that general area have
 moved out apparently for Hainan Island. Other sources
 of information indicate that these troops have moved
 eastward to straddle the Mirs Bay Shiukwan trade route
 and that seems to me more likely.

Sent to the Department, repeated to Chungking,
 Canton and Paiping for Tokyo.

SOUTHERD

WWC

793.94/16390

PS/JI

793.94

0887

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

AS

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

Kunming via Chungking & N.R.

Dated December 18, 1940

COMMUNICATED ORALLY
 TO CRI AND MID 12/18/40 TD

Rec'd 11:05 a.m., 19th

Secretary of State,

Washington.

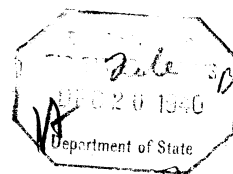
December 18, 5 p.m.

On December 16, nine Japanese airplanes reportedly
 bombed near Paoshan, presumably at one of the large
 bridges. It is widely rumored that some damage to one
 of the Mekong River bridges was done in a recent raid,
 no exact information is yet available.

Sent to the Department, repeated to Peiping.

PERKINS

WWC

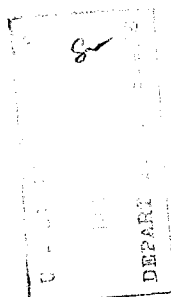


793.94/16391

DEC 28 1940

FILED

PS/JI

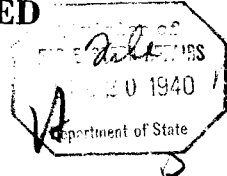


0888

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

TELEGRAM RECEIVED

FROM



AS

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

Hong Kong via N. R.

Dated December 19, 1940

Rec'd 9:45 p.m.

TO CNI AND MID 12/20/40 SD

Secretary of State,
Washington.

488, DECEMBER 19, noon. 16397

Reference my 485, December 18, 10 a.m.

74394
Additional information indicates that reported
Japanese military movement in Kowloon Hinterland in-
volves possibly as many as 7,000 troops who have gone
westward apparently for the purpose of cutting Miao
Bay-Shiukwan trade route.

Sent to the Department, repeated to Chungking,
Canton and Peking for Tokyo.

SCUTHARD

WWC

707.04/15762

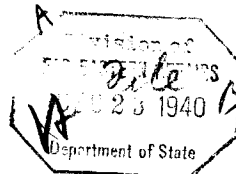
22/30

FILED
DEC 22 1940

0885

DECLASSIFIED: E.O. 11652, 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 FROM
 closely paraphrased be-
 fore being communicated
 to anyone. (br)

Amoy via N. R. D
 Dated December 20, 1940
 Rec'd 1:45 p.m.

NOTED ORALLY
 12/23/40 JD
 Secretary of State,

Washington.

55, December 20, 4 p.m. 16308
 Chungking's November 13, noon.

There have been no signs of withdrawal during the
 past week.

On the contrary a squadron of about ten planes which
 arrived here aboard a Japanese aircraft carrier on
 December 17, yesterday and the day before heavily bombed
 various points on the mainland in the vicinity of Amoy.
 These attacks which are the first extensive bombings
 in this district since July were probably intended
 reprisals for the killing of seven Japanese last week
 on Amoy Island by villagers from the mainland.

Sent to the Department, Chungking, Peiping. Repeated
 to Swatow, Hong Kong, Canton.

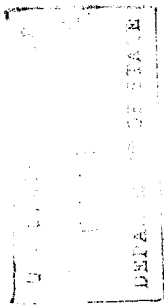
MERRELL

TFV

793.94/16393 PS/FF

FILED

JAN 1 1941



0890

DECLASSIFIED: E.O. 11652, 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
FEB 11 1941
NOTED
NOV 8 1940
SECRETARY OF STATE

Paraphrase of Code Radiogram Received at the
War Department 7:54 a.m., Nov. 1, 1940

Chungking, Filed 06:20, November 1, 1940

Chungking G-2 states belief Japanese 5th Division and
troops withdrawing from Kwangsi are going to Hainan. Future Jap-
anese plans unknown. If Russian Military Attache now in Moscow
does not return to Chungking U.S.S.R.--Japanese nonaggression
pact feared. Russia believed having hard time deciding this point.
Burma Road functioning in spite of heavy bombing attacks which
have damaged two main bridges whose traffic can be carried if
necessary by pontoons nearby. Unconfirmed report that Japanese
have evacuated Ichang. If Kobayashi, a very pleasant and able
man, goes to America, it is indication of Japanese desire to
placate U. S.

BARRETT

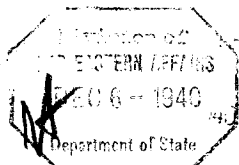
Copies to: State Department
ONI

3/20/70
JAN 11 1941
FILED

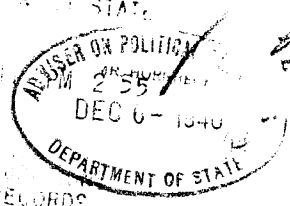
0891

DECLASSIFIED: E.O. 11652, 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



ADVISER ON POLITICAL RELATIONS



December 5, 1940.

FEA
DER

A friend of mine who was recently in conversation with Mr. K. K. Kawakami informs me that Kawakami states that a part of the reason for the Japanese troop withdrawals from points in China is that morale among the Japanese troops at certain points in China has become very bad.

5148

707.04/10700

02/103

DEC 11 1940

FILED

16995

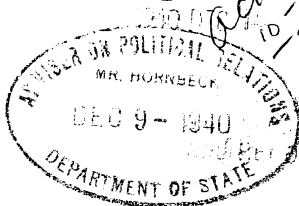
PA/H:SNH:ZMK

0892

DECLASSIFIED: E.O. 11652, 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
AUSTRALIAN LEGATION,
WASHINGTON, D.C.



December 9th, 1940

My dear Hornbeck,

I enclose extract from a
personal letter that may be of interest to you.
Both my correspondent and his Chinese friend are
reliable and intelligent men.

I am,

Yours sincerely,

McClure

Mr. Stanley K. Hornbeck,
State Department,
Washington, D.C.

JAN 11 1941

FILED

707.64/10560

67/60

11

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

EXTRACT:

"I have some news from China, which I gleaned the other day from a well-informed and reliable Chinese friend who is just back from a visit to China extending over several months, a good part of which he spent in Chungking. He came out via the Burma Road and flew across on the Clipper so that his news is fresh. He has very good connections in China and I can vouch for his reliability.

When we asked him how Wang Ching-wei's stocks were in Chungking he declared that they were down to zero, but then he volunteered the information that there was a pretty strong group in high government circles who favoured some sort of deal with Germany, the idea being that Germany might be able to extract really reasonable terms for China from Japan. The influence of this group, which includes no less a person than the Minister for War, was at its zenith during the period when the Burma Road was closed and things were going ill for the democracies in Europe. At this time anti-democratic sentiment in Chungking grew very strong.

According to my friend, even the Generalissimo himself was wavering at that time. The official press became very tactful and even studiously polite in its references to Germany. W.H.Donald, who you will remember as the Australian who has long been the Generalissimo's adviser, found that speeches and articles which he had written for the Generalissimo were being cut and toned down in places where he had been markedly pro-British and anti-German.

My friend believes that this last was the reason for the break between Donald and the Generalissimo. As you have doubtless heard, Donald has now left Chungking for good and is reported to be cruising round the Pacific on his own yacht, writing his memoirs. I don't know how strong Donald's Australian sentiments are - he does correspond with his brother in Sydney, whom I happen to know personally - but I feel that it's rather unfortunate from the Australian and the British point of view that he has severed his long and close association with Chiang Kai-shek.

The whole general trend in Chungking, in which the Donald affair is only one incident, seems to be pretty serious. I expect that the reopening of the Burma Road, developments in Greece, and more especially the latest U.S. credits to China, will all have done something to repair the situation, but quite clearly any further attempts to appease Japan might have the effect of strengthening pro-German sentiment in Chungking once more, and there is no telling where it might lead. A German-mediated peace between China and Japan, which would enable the latter really to wind up the China affair and free herself for drastic action elsewhere, is not a pleasant thing for an Australian to contemplate. "

DECLASSIFIED: E.O. 11652, 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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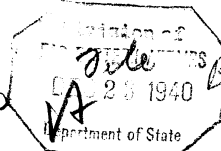
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0895

DECLASSIFIED: E.O. 11652, 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



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

FROM Chungking via N. R.
 Dated December 21, 1940
 Rec'd 10:40 a.m.

Secretary of State,
 Washington.

627, December 21, 10 a.m.

CONFIDENTIAL.

Following telegram has been received from Kunming.

"December 20, 4 p.m.

It is learned on what is believed to be reliable
 authority that the new suspension bridge across the
 Mekong River, recently put into operation, was damaged
 beyond repair by Japanese bombing on December 14. How-
 ever, traffic is said to be continuing across the old
 bridge which was damaged in the October raids".

The Vice Minister of Communications this morning con-
 firmed the accuracy of the foregoing report.

Sent to the Department. Repeated to Peiping. Code
 text by air mail to Yunnanfu and Rangoon.

JOHNSON

TFV

793.94/16397

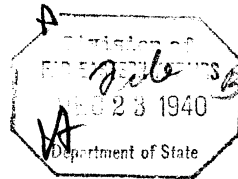
FILED
 JAN - 2 1941

793.94
 16397
 12-18-41

0896

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

TELEGRAM RECEIVED



FROM Hankow via N.R.
Dated December 21, 1940
Rec'd. 1:30 a.m., 22nd

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

Secretary of State,
Washington

93, December 21, 11 a.m.

Reference Chungking's circular telegram of
November 6, 10 a.m.

No evidences during week of withdrawal from
this area.

Sent to the Department. Repeated to Chungking,
Peiping and Shanghai.

SPIKER.

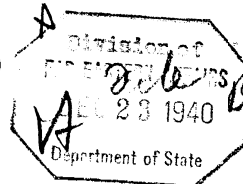
DDM

793.94/16398

FILED
DEC 28 1940

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

TELEGRAM RECEIVED



FROM

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

Swatow via N.R.

Dated December 23, 1940

Rec'd. 3 a.m.

Secretary of State,

Washington

37, December 23, noon

Chungking's November 13, noon

Nothing occurred in the past week to indicate
 any change in the status of the occupation.

Sent to the Department. Repeated to Chungking,
 Peiping.

FORNES.

TFV

Japanese withdrawals

793.94/16399

FILED
 DEC 23 1940

0898

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

TELEGRAM RECEIVED

FROM

KD

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

Hong Kong via N.R.

Dated December 23, 1940

Rec'd. 7:55 a.m.

^{12/24/40 75}
Secretary of State,

Washington.

496, December 23, 9 a.m.

Reference Chungking's circular telegram of November 13, noon.

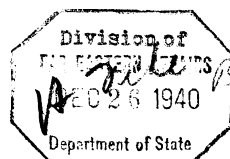
During the past week ^{there} has been reported movement of Japanese troops, estimated at from three to seven thousand in number, from the Kowloon-Canton railway area westward with the probable purpose of straddling the Hirsbay-Shiukwan trade route. No other military or naval movements of significance in the Hong Kong area during the week have been confirmed here.

Sent to the Department. Repeated to Chungking, Canton and Peiping for Tokyo.

SOUTHARD.

TFV

Japanese withdrawals.



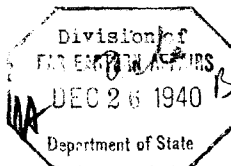
793.94/16400

JAN - 2 1941

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



FROM

JR
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (br)
SUBSTANCE COMMUNICATED ORALLY
TO CNI AND MID 12/26/40/50
Secretary of State,

Canton via N. R. ^D
Dated December 24, 1940
Rec'd 5:50 p.m.

Washington.

117, December 24, 10 a.m.

Available information indicates that local
Japanese garrison has been somewhat increased during
the past week.

Sent to Department. Reported to Chungking,
Hong Kong, Peiping.

MYERS

DDM

735.54/10401

JAN 22 1941
FILED

PC/CC

DECLASSIFIED: E.O. 11652, 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

EH

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

FROM

Hong Kong via N. R.

Dated December 24, 1940

Rec'd 1:23 a.m., 25th.

MESSAGE COMMUNICATED ORALLY
TO CNI AND MID 12/26/40 TD
Secretary of State,

Washington.

499, December 24, noon.

Reference my 485, December 18, 10 a.m.

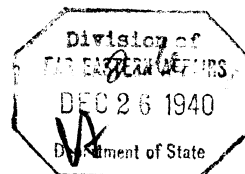
I have learned from reasonably reliable sources (including Chinese travelers from that area) that Japanese bombing along the Mins Bay-Shiukwan trade route is becoming more intense. As many as five attacks daily have been recorded, by ~~planes~~ ^{planes} coming apparently from Canton, and appreciable property damage and loss of life is reported.

Apparently the Japanese are determined to try and interrupt the increasingly important movement of merchandise over this route but observers report that there has been no great success ^{so far}.

Sent to the Department. Repeated to Chungking, Canton and Peiping for Tokyo.

SOUTHARD

EMB



FILED
JAN - 2 1941

PS/GC

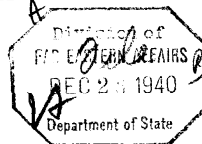
757.64/10402

793.94

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

FROM



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

Amoy

Dated December 27, 1940

Rec'd 10:35 a.m.

Secretary of State,
 Washington.

57, December 27, 3 p.m.

Chungking's November 13, noon.

Nothing new during the past week.

Sent to the Department, Chungking and Peiping.

MERRELL

PEG

733.94/10403

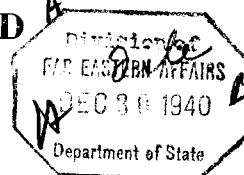
FILED
 JAN-3 1941

6/10

0902

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

TELEGRAM RECEIVED



FROM

JR

PLAIN

COPIES SENT TO
 O.N.I. AND M.I.D.
 12/30/40 REM

Shanghai via N. R.

Undated

Rec'd December 27, 1940

1:40 p.m.

Secretary of State,
 Washington.

Kumataro Honda new Japanese Ambassador to Nanking arrived Shanghai yesterday en route to his post. He was quoted as saying that he intended to discharge his functions in accordance with letter and spirit of Wang-Abe agreement to the benefit of both Japan and China; and he expressed confidence that, "with the assistance of Chinese military and civil authorities, all points of difficulty will be smoothed over with as little trouble as possible."

Sent to Department, repeated to Peiping, Chungking, Nanking. Air mail to Tokyo..

LOCKHART

CSB

FILED
 JAN - 2 1941

793.94/16404

PS/FF

793.14
 110
 901.9493

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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

January 8, 1941.

Reference Bucharest's despatch no. 1670, November 20, 1940, transmitting a summary of a series of articles entitled, "The Complex Problem of the Southern Pacific", by General Gh. Bagulescu, former Rumanian Military Attaché at Tokyo.

Japanese strategy, according to the summary of General Bagulescu's article, envisages four steps: the creation of "Manchukuo", the domination of China, the exploitation of the Southern Pacific, and a settlement of account with the Soviets. After a brief history of the conflict of Japanese ambitions in the southern Pacific with those of the United States and Great Britain, an early war between Japan and the United States in the southern Pacific and eventual Japanese domination in that area is forecast. With respect to the strategy involved in a Japanese-American war, the author feels that the United States could not successfully hold the Philippines or pursue the Japanese fleet ~~into~~ to Japan proper. He is also of the opinion that ~~the~~ Japanese strategy takes into account the possibility of an attack by both the Soviet Union and England. As for the problem of the Netherland Indies, General Bagulescu suggests that this area be turned over to the native population or be placed under Japanese, Chinese or Thai hegemony. The author concludes that American defense preparations are aimed less at Germany and the European

situation

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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-

situation than at a possible conflict with Japan in the southern Pacific. In so far as Soviet-Japanese relations are concerned, he refuses to entertain the belief that any fundamental Soviet-Japanese accord is possible, predicting on the contrary either a thrust by the Soviets toward Port Arthur or by the Japanese toward Vladivostok.

Comment: General Bagulescu was not regarded seriously by his colleagues during his assignment at Tokyo. Pro-Japanese in outlook, he was inclined to overestimate the military and economic strength of Japan. His views on the inevitability of a Japanese-American conflict in the southern Pacific and on the redistribution of colonial possessions would appear to have been influenced to a considerable degree by the current "nazification" of Rumanian thought. Of greatest interest are General Bagulescu's comments with respect to Soviet-Japanese relations as he is presumably familiar with both the Japanese and Soviet points of view. However, his general thesis with regard to the inevitability of an American-Japanese war would appear to be weakened by failure to take into account Soviet-Japanese differences which he himself contends are fundamentally irreconcilable.

793.94/16405


 FL:Schuler:JFS

0905

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

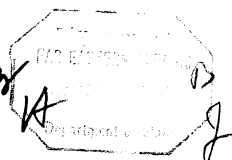


No. 1670

LEGATION OF THE
UNITED STATES OF AMERICA

Bucharest, November 20, 1940.

Subject: Transmitting a Summary of a Series of
Articles by a Former Rumanian Military,
Naval and Air Attaché at Tokio Entitled
"The Complex Problem of the Southern
Pacific".



U.S. Copies to
ONI-MID

Field: Tokyo

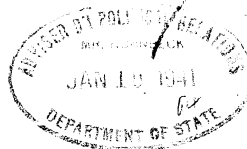


COMMERCIAL AFFAIRS
Department of State

DIVISION OF
JAN 14 1941

The Honorable

The Secretary of State,
Washington.



793.94/10405

FS:FF

Sir:

1/

I have the honor to transmit herewith a summary of
a series of articles written by General Gh. Bagulescu,
formerly Rumanian Military, Naval and Air Attaché at
Tokio, entitled "The Complex Problem of the Southern
Pacific". These articles appeared in UNIVERSUL in the
issues of September 26, 27 and 29, 1940, and were
drawn to my special attention by the Chinese Minister
here, Mr. Lone Liang, who has provided me with a French
translation.

These

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JAN 15 1941

0906

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

-2-

These articles are of considerable interest, particularly since they portray the view of a trained neutral observer regarding the clash of American and Japanese interests in the Far East and the Southern Pacific.

Respectfully yours,



Franklin Mott Gunther

Enclosure:

1. Summary of Articles by Former Rumanian Military, Naval and Air Attaché at Tokio entitled "The Complex Problem of the Southern Pacific".

711

t.

CKH/bfg

0907

DECLASSIFIED: E.O. 11652, 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. 1670 of November 20,
1940 from American Legation
at Bucharest, Rumania.

SUMMARY OF A SERIES OF ARTICLES BY GENERAL GH. BAGULESCU,
FORMER RUMANIAN MILITARY, NAVAL AND AIR ATTACHE AT TOKIO,
ENTITLED "THE COMPLEX PROBLEM OF THE SOUTHERN PACIFIC"

General Bagulescu begins his series of articles by saying that when the Japanese attacked China on July 7, 1937, they expected that it would be merely a "three months campaign". A great change in the character and the morale of the Chinese people had occurred between 1932-1936, however, with the result that they had a renewed confidence in their own forces. And General Bagulescu had said: "You will not finish the war even in three years. The Chinese campaign will be an epochal campaign, naturally provided you do not arrive at an understanding through political channels". He then goes on to discuss the vastness of Japan's problem, saying that the Japanese strategy envisages four steps, namely, the creation of Manchukuo, the domination of China, the exploitation of the Southern Pacific, and finally a settlement of accounts with the Soviets. The Southern Pacific he describes as a vast area of some million and a half square miles, only 6% of which is exploited, while the remaining 94% consists of forests, jungles and uncultivated areas. In this vast region there are 110,000,000 inhabitants, a large portion of which are Malays whom the Japanese claim as their ancestors. After showing that the climate of all this region is very agreeable to the Japanese

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

-2-

Japanese people, General Bagulescu writes:

"When in 1904 Russia had started to assert herself in the Far East, England brought about the Russo-Japanese War.

"Before and after the World War, the same England did everything possible to nourish the discords which exist between the United States and Japan in order that she might be able, in the shadow of these misunderstandings, to remain also master in the Pacific.

"By ceding the group of the Marianas, Caroline and Marshall Islands to Japan through the Treaty of Versailles, England wished to place an obstacle in the way of American progress toward China.

"A simple glance at the map will show the strategic importance of these islands in the Southern Pacific (admirable bases for submarines and aviation)".

The articles then deal with the system of strategy employed by the Japanese in developing their program of exploitation, the main elements being economic penetration and the infiltration of their peoples into the areas to be exploited.

General Bagulescu then writes:

"The economic key to the Southern Pacific is constituted, aside from the vastness of the territory, by the immense market of China and by the rich raw materials of the Dutch Indies.

"The plan of economic and political penetration into this Pacific area was accentuated by the Japanese during the World War, when England as well as the United States were directing their attention in other directions.

"But immediately after the war relations between Japan and the United States became critical.

"In spite of the fact that England was directly interested she did not act openly, but, as we have already shown, at Tokio she sustained Japan and at Washington the United States.

"In 1921 the situation between Japan and the United States became very grave.

"The United States succeeded, in conjunction
 with

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

-3-

with England, to oblige Japan, at the time of the Naval Conference at Washington, to consent to the inferior coefficient of three in the matter of naval armament, in comparison with the coefficient of five and five which was reserved for them.

"Upon its return to Tokio the Japanese Commission was received with hostility and the Prime Minister who ratified the Convention was assassinated.

"The Nipponese nation considered itself humiliated and attempted, without result, to achieve amelioration at the London Conference. This question daily occupied the Japanese press and public opinion up to 1937 when the Chinese conflict broke out.

"Besides, my opinion is that during these recent years Japan no longer respected this convention, but constructed as much as she desired and as much as she could, especially vessels of small tonnage: destroyers and submarines."

Remarking that the United States invested a substantial amount of capital in China in order to bar the Japanese infiltration, the writer says further on:

"When in 1932 Japan consolidated its position on the Continent through the creation of Manchukuo, the United States desired to reach an accord with England in order to intervene, especially because the Japanese were menacing at the same time the American, British and French concessions in Shanghai.

"England, playing a double game, did not agree. It was from this day that the former British world equilibrium started to totter and this was followed by the so-called sanctions directed against Italy at the time of the Ethiopian Question".

A little further on General Bagulescu mentions the following conclusions:

"We await then a collision of forces very soon between Japan and the United States in the Southern Pacific. The aid which the United States had hoped for from England has very greatly diminished in recent times.

"The fight will take place between the naval and air forces of these two adversaries, but the territories can only be dominated by him

who

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

-4-

who possesses at the same time the best land forces".

The writer then goes into a technical examination of the comparative forces of the two countries and of the naval and air strategy that may be expected. His concluding paragraphs read as follows:

"Japan has set up all hypotheses, among which is not lacking the one that she will be counter-attacked simultaneously by England and the Soviet after having attacked the Philippines.

"Even if we assume the hypothesis that the fleet of the United States will be able to repulse the Japanese fleet from the Philippines, it will not have at its disposal the land army necessary to reoccupy the Island and will not be able successfully to pursue the Japanese fleet into the Nipponese Archipelago, which is so favorably sheltered.

"As regards the Dutch Indies, it would be ideal if they were given back to the people who inhabit them, or---if these people have not yet arrived at maturity---if they were to pass under the protection of Japan, of China or of Siam, as it is no longer permitted that a country of small area and reduced population, such as Holland, should dominate territories situated more than twelve thousand miles from the country.

"In this regard, as far as Europe and Africa are concerned, it would be natural in the new order of things for each European State, no matter how small, to have its proportional share of colonies.

"In conclusion:

"Japan will soon dominate the Southern Pacific.

"The United States realizes this thing better today than anyone else and it is for that reason that I wish to emphasize the following points.

"I read daily telegrams from all parts of the world and press articles from the entire globe and I remain surprised that so many personalities think that the feverish preparations of the United States are concerned with

Germany

DECLASSIFIED: E.O. 11652, 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-

Germany or the European situation.

"As for myself, I affirm that the United States is preparing hastily an air force and a land army designed to be able, with the fleet, to face the situation in the Southern Pacific.

"Likewise, I desire to affirm that I cannot believe in the repeated Japanese-Russian understandings or accords.

"They are a result of circumstances.

"On the first favorable occasion, the Soviets will again attempt to attain Port Arthur, because it is in the Far East where they have their only lung, through which they will be able to breathe freely.

"But Japan considers Vladivostock as a lance stuck in its side.

"Japan also, on the first occasion, will take action to push the Soviets out of this region, transforming the Japanese Sea into a Japanese lake.

"And we will be able to witness all these events."

0912

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

TELEGRAM RECEIVED

EH

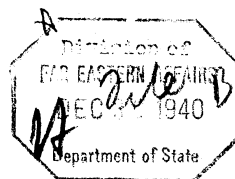
This telegram must be closely paraphrased before being communicated to anyone. (br)

FROM Hankow via N. R.

Dated December 28, 1940

Rec'd 2:08 p.m.

Secretary of State,
Washington.



94, December 28, 11 a.m.

Reference Chungking's circular telegram of November 6, 10 a.m.

No evidences during week of withdrawals from this area.

Sent to the Department. Repeated to Chungking, Peiping and Shanghai.

SPIKER

EMB

733.94/16406

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FILED
JAN - 3 1941

16406

0913

DECLASSIFIED: E.O. 11652, 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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NR
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 fore being communicated
 to anyone. (br)

Chungking via N. R.

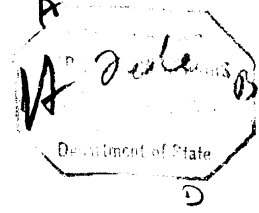
Dated December 30, 1940

FROM

Rec'd 7 a.m.

SECRETARY OF STATE
 TO ONE AND AID 12/31/40 3D
 Secretary of State,

Washington.



643, December 30, 3 p.m.

One. The following telegram has been received from
 the Consulate at Kunming:

"December 26, 2 p.m.

The Consulate has learned from a local American
 aviation instructor that Central Government military
 authorities here anticipate a Japanese attempt to invade
 Yunnan Province before a southward drive is made. This
 is reported because it apparently represents a
 section of local Chinese military opinion. What gives
 the report plausibility is possible Japanese hesitation
 at a southward drive in view of recent European developments
 and the stiffening of the American and British attitudes
 in the Far East. No information was vouchsafed as to
 the point of attack on the province although the railway
 route and the Red River Manhao Mengtze line are
 possibilities. A further possibility is eventual entry
 from Northwestern Indochina near the Burma border where
 Chinese communications are poor and from where the Burma

733.94/16407 PS/FF

FILED
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Road

0912

DECLASSIFIED: E.O. 11652, 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- #643, December 30, 3 p.m., from Chungking.

Road might be cut. There are recurring rumors of Chinese troop concentrations in Southeastern Yunnan and it is believed that some of the recent Japanese air attacks have been directed at them. A possible motive for such concentrations might be Chinese preparations for an advance into Indochina should the Japanese take over Tongking." (END SECTION ONE)

JOHNSON

TFV

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

TELEGRAM RECEIVED

FROM

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

Chungking via N.R.

Dated December 30, 1940

Rec'd. 9:35 a.m., 31st

Secretary of State,
 Washington.

643, December 30, 3 p.m. (SECTION TWO)

Two. It is the Embassy's observation that the
 Chungking authorities have of late exhibited little
 concern over the possibility of a Japanese military
 invasion of Yunnan. They appear to feel rather that
 the Japanese will soon take steps to assume control
 of souther Indochina, a move which they suggest can
 be accomplished with slight chance of active inter-
 vention on the part of the United States, and
 Great Britain. (END OF MESSAGE)

Sent to Department. Repeated to Peiping.

JOHNSON.

DDM

F.B.I. 737.94/10407

PS/30

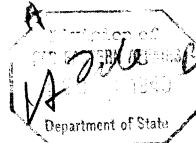
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0916

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

TELEGRAM RECEIVED

FROM



AS

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

Hong Kong via N. R.

Dated December 30, 1940

Rec'd 9:12 p.m.

Secretary of State,
Washington.

508, December 30, noon.

Refer to Chungking's November 13, noon.

We have no reliable information of Japanese
military or naval movements of significance in the
Hong Kong area during the past week.

Sent to Department. Repeated to Chungking,
Canton and Peiping.

SOUTHARD

TFV

FILED
JAN-4 1941

793.94/16408

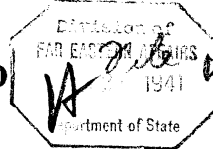
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0917

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

TELEGRAM RECEIVED



AS

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

Swatow via N. R.

Dated December 31, 1940

Rec'd 9:40 a.m.

SUBSTANCE COMMUNICATED ORALLY
TO GEN. AND 11/2/40 7D

Secretary of State,
Washington.

41, December 31, noon.

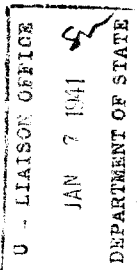
Chungking's November 13, noon.

There has recently been no visible diminution in
the number of troops stationed here. Such activities
as the construction last week of permanent sentry
stations in the neighborhood of the residence of the
general officer commanding in Swatow indicate that there
is no intention of withdrawal.

Sent to the Department. Repeated to
Chungking, Peiping.

FORNES

DDM



792.94/13409

FILED
JAN 11 1941

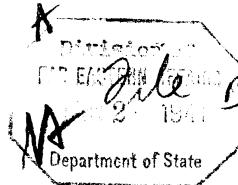
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0918

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

TELEGRAM RECEIVED

FROM



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

Canton via N.R.

Dated December 31, 1940

Rec'd. 12:34 p.m.

Secretary of State,

Washington.

118, December 31, 11 a.m.

Reference Chungking's November 13, noon, no
new developments during past week.

79394
Sent to Department. Repeated to Chungking,
Hong Kong, Peiping.

MYERS.

DDM

793.94/16410 PS/FF

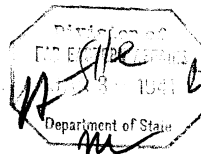
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JAN - 6 1941

0919

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

TELEGRAM RECEIVED

FROM



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

Amoy via N. R.

Dated January 3, 1941

Rec'd 6:25 a.m.

Secretary of State,
Washington.

1, January 3, 10 a.m.

Chungking's November 13, noon.

Nothing new during the past week.

Sent to the Department, Chungking and Peiping.

MERRELL

RR

79394

793.04/13.11

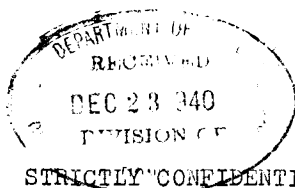
JAN - 6 1941

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20/30

0920

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



STRICTLY CONFIDENTIAL

PARAPHRASE

December 20, 1940.

The following was received from the Naval Attache at
 Peiping under date of December 20, 1940:
 THE FOLLOWING IS FROM A RELIABLE SOURCE: HEAVY JAP TROOP
 MOVEMENT SOUTH FROM TANGKO AND TIENSIN ALONG PEKING HANKOW
 LINE. SINCE DECEMBER THE 10TH BETWEEN 2000 AND 3000 MEN
 TRANSPORTED DAILY AND WILL CONTINUE UNTIL 19TH OF DECEMBER
 INDICATING 1 OR 2 DIVISIONS ARE BEING SENT TO THE SHANSI OR
 HONAN FRONT. THEY APPEAR TO BE UNUSED SOLDIERS WITH NEW EQUIP-
 MENT IN GOOD CONDITION PHYSICALLY AND MORALE HIGH. NO ANIMALS OR
 ARTILLERY.

792.94/16412

DEC 23 1940

RECEIVED

PC/JI

8 3/20/77

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

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

File Designation 793.94/16413
 Date Dec. 12, 1940
 From American Embassy, Tokyo (637EW)
 To Sec. of State

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

- ☒ Security-Classified Information
☐ Otherwise Restricted Information

P. E. Hurst
 Authority

5-22-73
 Date

GENERAL SERVICES ADMINISTRATION

GSA FORM 7117 (2-72)

WITHDRAWAL NOTICE

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

January 21

~~CAF~~
WFA

To note summary
on page 1 and file

TD

DECLASSIFIED: E.O. 11652, 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

THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

American Consulate General,
 Harbin, Manchuria,
 November 15, 1940.

CONFIDENTIAL

CONFIDENTIAL TO
 in confidence 1/22/41 R&A

SUBJECT: ABUSES RESULTING FROM HARBIN BLACKOUTS.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

| | | | | |
|--------|---------|-------|-----|----|
| CLASS. | Good | Check | Yes | No |
| FILE | Gourley | ONE | MID | |

733.94/13414

SIR:

I have the honor to enclose a copy of my
 despatch No. 13, dated November 15, 1940, addressed
 to the American Embassy at Peiping, entitled "Abuses
 Resulting from Harbin Blackouts."

Respectfully yours,

L. H. Gourley
 L. H. Gourley
 American Consul

FILED
 JAN 23 1941

733.94/13414

COMMERCIAL AFFAIRS
 Department of State

JAN 23 1941

DIVISION OF

Enclosure:
 Copy of despatch No. 13, November 15,
 1940, to the Embassy at Peiping.

In quintuplicate.

800/320 4 Carbon Copy
 LHG:av Received

DECLASSIFIED: E.O. 11652, 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. 13

THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

American Consulate General,
 Harbin, Manchuria,
 November 15, 1940.

CONFIDENTIAL

SUBJECT: ABUSES RESULTING FROM HARD H BLACKOUTS.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

I have the honor to report that there is a tendency for rough treatment and abuses to increase during, and following, air drill blackouts in Harbin.

Summary.

During blackouts a number of Chinese and White Russians have been struck. During the last blackout Chinese were required to report next day to police headquarters, where they were severely beaten. Shop windows and house windows are broken without warning by unidentifiable persons who are liable to be thieves instead of law-enforcers. Pedestrians are liable to be searched by roving gangs of men and to be in danger of being robbed by persons who cannot later be traced.

Mistreatment of Chinese and Foreigners during Blackouts.

During blackouts it is not uncommon for Chinese and Russian shopkeepers or their employees to be slapped, struck or even beaten in shops upon alleged detection of light rays from the street.

- A reliable -

0925

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 -

A reliable American reported that during the most recent blackouts one Chinese friend, a shopkeeper, was not only struck in his shop but was obliged to report the following day to police headquarters where he was badly beaten. Another Chinese was reported to have been compelled to report twice at police headquarters for punishment and was so badly beaten on the second occasion that he could not walk home and had to go in a rickshaw.

Breakage of Windows.

House windows and shop windows are liable to be broken without warning during blackouts. Some of the persons who take upon themselves the enforcement of blackout regulations are very young men or mere boys. They may or may not wear uniforms or an arm band. The wearing of a Concordia Association uniform does not facilitate the tracing of window-breakers or the fixing of responsibility, because there are great numbers of wearers of such a uniform. Window-breakers often merely disappear and, in cases of breaking of shop windows, it is never quite certain whether breakage was done by so-called law-enforcers or by persons in tending to steal.*

Dangers of Walking on Streets.

During a recent blackout public notices were not clear as to when, in the absence of a siren, lights might be kept on or must be turned off. In the notices there was nothing said to indicate that pedestrians must

- keep -

Harbin's Political Report for September 1940, page 5, mentions the breaking of the window of an American-owned pharmacy on one of the main streets of Harbin by persons who fled before they could be identified.

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

- 3 -

keep off the street early in the evening or late at night.

In the dark any pedestrian is liable to be robbed by gangs of men who may pose as law-enforcers or who may profit from their temporary assignment as enforcers of blackout regulations to steal from Chinese or White Russians who can not identify them or who can be intimidated into believing that it is hopeless to try to prove that they have been robbed by a gang under the leadership of a Japanese.

During the last blackout, not long after nightfall, a messenger of the Consulate General, while delivering urgent letters to American citizens in the neighborhood, was roughly searched by an unidentified roving gang of men headed by a Japanese. The threat was made to him that if he were caught delivering letters during another blackout, the letters, even though belonging to the American Consulate General, would be taken away from him and he would be thrown into jail.

Respectfully yours,

L. H. Gourley
 American Consul

Copy to Embassy, Chungking.
 Five copies to the Department by
 despatch No. 17, November 15, 1940.
 Copy to Embassy, Tokyo.
 Copy to Consulate General, Mukden.
 Copy to Consulate, Dairen.

800/320
 LMG:av

DECLASSIFIED: E.O. 11652, 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

SUBSTANCE COMMUNICATED ORALLY

12/6/41 JD

FROM

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

Hankow via N.R.

Dated January 4, 1941

Rec'd. 10:10 a.m.

Secretary of State,

Washington.

2, January 4, noon

Reference Chungking's circular telegram of
 November 6, 10 a.m.

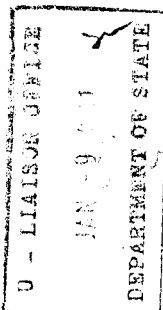
No evidences during week of withdrawal from
 this area. Work rapidly proceeding on large
 military hospital being erected on edge of city.

Sent to the Department. Repeated to Chungking,
 Peiping and Shanghai.

SPIKER.

TFV

Japanese withdrawals



705.54/10415

PC/MN
 FILED
 JAN 11 1941

0928

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

JT
 This telegram must be FROM KUMMING VIA CHUNGKING & N.R.
 closely paraphrased be- Dated January 3, 1941
 fore being communicated Rec'd 11:58 a.m., 4th
 to anyone. (br)

12/4/41 2D

Secretary of State,
 Washington.

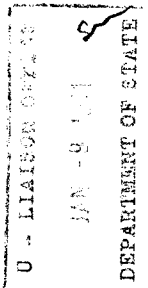
January 3, 9 a.m.

A squadron of 12 bombers dropped about 50 bombs on
 an air field yesterday, causing some damage to buildings
 on and near the field. A second group of 8 bombers
 accompanied by 3 pursuit planes raided Shih Lung Pa,
 west of the city. Presumably some injury was done to the
 electric plant at that place as sections of the city were
 without lights last night. Leaflets were scattered over
 Kunming by the invaders, but no definite information as
 to their contents has been obtained.

Sent to the Department. Repeated to Peiping.

UNSIGNED

TFV



733.94/16416

FILED

JAN 13 1941

12/01

0925

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

SENT BY AIR MAIL
TO ONE AND AID 12/4/70

✓
ut

TELEGRAM RECEIVED

AC
This telegram must be _____ Kuming via Chungking & N.R.
closely paraphrased be-
fore being communicated FROM Dated January 4, 1941
to anyone. (Br) Rec'd 6:45 a.m., 5th

Secretary of State
Washington

VA file B

January 4, 11 a.m.

Nine invading planes bombed the southeast
section of this city, near the Kweiyang Road Gate,
damaging a truck park of the China Transportation
Company and hitting the home for aged people. No
great material damage was done but many dead and
wounded are reported. An equal number of planes
bombed (?) Paoshan, according to the press, pre-
sumably at the highway bridges.

772-14

733.04/16417

Sent to the Department. Repeated to Peiping.

JOHNSON
Perkins

RR

RECEIVED
JAN 10 1941

10/31

U - LIAISON OFFICE
JAN 10 1941
DEPARTMENT OF STATE

0930

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

TELEGRAM RECEIVED

FROM

RDS

PLAIN

TOKYO VIA SHANGHAI & N.R.

Dated January 5, 1941

Rec'd 1:45 a.m., 6th

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND D.M.I.
1/6/41 AEX

16, January 5, 3 p.m.

War Minister Tojo reported last night as stating to high military officers yesterday that: (A) no hope early settlement China affair; (B) ^{Pacific} (~~pacifier~~) greatly disturbed; (C) all subjects must obey immediately leaders in executing Imperial policy and army officers positively must not (repeal not) in official or private words or actions go beyond the scope of their official duties.

GREW

EMB

755.94/16418

PC/CI

FILED

JAN - 8 1941

11394 ✓

0931

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

FROM

EDA

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

CHUNGKING VIA N.R.

Dated January 6, 1941

Received 9:55 a.m.

Secretary of State

Washington

January 6, 1 p.m.

Reference Chungking's November 6, 10 a.m. and November
13, noon.

Please discontinue submission of weekly reports but
continue to keep Department and Embassy currently informed
by radio of noteworthy movements or other activities.

Sent to Canton, Swatow, Hong Kong, Amoy, Hankow.
Repeated to the Department, Peiping, Shanghai.

JOHNSON

CSB

793.94/16419 PS/FF

FILED
JAN - 9 1941

DECLASSIFIED: E.O. 11652, 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

AS

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

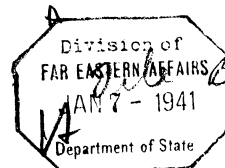
Nanking via N. R.

Dated January 6, 1941

Rec'd 12:23 p.m.

Secretary of State,
 Washington.

3, January 6, 4 p.m.



Though no mention was made in the local press
 of Admiral Nomura's recent visit to Nanking it has been
 reported in Shanghai newspapers that he was here last
 week.

79394
 843.101
 Hsu Liang, when asked, in the conversation mentioned
 in this Embassy's telegram No. 2, January 6, 3 p.m., what
 were the Admiral's purpose and accomplishments, replied
 that the visit had been "for consultation with the Japa-
 nese High Command" but that he knew nothing of the
 results.

He refused all leads in regard to third power
 Yangtze navigation and the pass nuisance but remarked,
 concerning the latter, that Chinese officials' passes
 (and baggage) were still being examined, to their great
 annoyance, by Japanese guards at the railway stations.

Sent to the Department, repeated to Chungking,
 Peiping and Shanghai. Code text by mail to Tokyo.

PAXTON

GW

793.101/10420

793.101/10420

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

793.94/16421

CROSS-REFERENCE FILE

NOTE

SUBJECT

U.S. assistance to China in military supplies.

Attaches copy of oral statement to be made to
 Chinese Ambassador and T. V. Soong, regarding -

793.94/16421

For the original paper from which reference is taken

See _____ Memo
 (Despatch, telegram, instruction, letter, etc.)

Dated _____ Dec 3, 1940 From _____ State Dept.
 To _____ FE (Hamilton)

File No. _____ 893.248/209 $\frac{1}{2}$

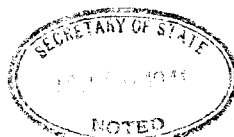
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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

January 2, 1941.

CONFIDENTIAL

S
 Mr. Secretary:



The Situation in the Far East

General Summary

Japanese official New Year statements were notably pessimistic in tone perhaps reflecting in part a desire to prepare the Japanese people for possible adverse developments and a desire to obtain support from the Japanese public for ^{planned} measures of political and economic reorganization. Chinese official New Year statements were highly optimistic.

In Japan plans were being made for the reorganization of Japan's economic structure (affecting the steel and silk industries and Japan's shipping companies, et cetera). The Japanese Cabinet's position was difficult owing to opposition to its efforts to carry through its domestic policies of political and economic reorganization and owing to the lack of success of its foreign policies.

The Japan-U.S.S.R. fishery agreement upon which Japanese fishery rights in Soviet waters depended terminated without

Jan. 3
 Sent to
 Tokyo, London,
 and Chungking
 HES

7-3-41/1041

1/12

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

-2-

without replacement on December 31. It seemed probable, however, that a new agreement might soon be reached.

At Peiping on December 30, five American marines were subjected to violence and detained by Japanese gendarmes until released after three requests from the American authorities concerned. The Commandant of the American Embassy Guard was of the opinion that the incident was evidently premeditated by the Japanese.

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

-3-

One. Outlook of Japanese and Chinese officials upon the New Year.

New Year statements issued by Japanese officials were notably pessimistic in tone. According to press despatches Premier Konoye asked the Japanese people to prepare to meet "any eventualities or international pressures which may be imposed upon Japan in the New Year". The Finance Minister announced an increase in the budget for the next fiscal year and added that a curtailment of Japan's export and import business was to be expected.

New Year statements by Chinese officials were optimistic. It was asserted that China's position was stronger than at any time since the outbreak of hostilities in 1937.

It is possible that the Japanese official statements may in part have reflected the Japanese Government's desire to prepare the Japanese people for possible adverse developments and in part an effort to impress upon the Japanese people the need for the measures of economic control and of political and economic reorganization which have encountered criticism in certain sections of the Japanese public.

Two. Internal situation in Japan.

Steps toward the construction of Japan's "new economic structure" were taken with the drawing up of plans (for eventual submission to the Diet) for an increase in steel production,

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

-4-

production, the licensing of all retail establishments, the control of silk production and distribution, increased governmental control over the Japanese shipping business, et cetera. Friction within Japanese Government circles concerning the "new economic structure" was reported but it was too early to judge whether the opposition was strong enough to affect the course of the program.

The Japanese Cabinet position was evidently one of great difficulty as a result of its efforts to carry through its domestic policies of economic and political reorganization and of its failure to bring an end to the hostilities in China or to place upon a satisfactory basis relations with the U.S.S.R. or the United States. While the Japanese army would evidently lean toward the adoption of an extremist policy in foreign relations, the Tokyo Embassy reported that evidence from independent sources indicated that the Japanese navy might be using its influence in favor of a more moderate course. The appointment of Admiral Nomura as Ambassador to the United States was believed to have been inspired in part at least by the Japanese navy. Factors in the Japanese navy's attitude might include (1) a sounder view than that held by the Japanese army of the existing world situation and Japan's opportunities in it, and (2) a desire to gain time for the strengthening of the Japanese Navy before running undue risks of involvement especially

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

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especially with the United States.

Three. Japanese press comment on Japanese-American relations.

The Japanese press on December 27 reported rumors that (a) the American Government would urge evacuation of all American nationals from Japan by January 31, and (b) that American vessels would be prohibited by the United States Government from calling at Japanese ports after February 1. (It is possible that these statements may have been inspired in part in order to prompt denials from American sources.) Other articles in the Japanese press referred to the possibility of improved relations between the United States and Soviet Russia and of joint action by those two countries to assist China.

The President's address of December 29 was received critically by the Japanese press. One Japanese paper which purported to give the Japanese Government's attitude toward the speech characterized it as an announcement of unchanged American opposition to Axis policy and as an attempt to combat American isolationists and that section of opinion in the United States which would favor an effort to bring peace in Europe at present.

Four. Japan-U.S.S.R. relations.

According to press reports from Moscow the protocol under which provision was made for Japanese fishery rights
 in

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

-6-

in Soviet waters terminated on December 31, 1940, without replacement. The Japanese had been seeking to obtain a permanent agreement with the Soviet with regard to these rights, or, failing that, to obtain a renewal of the rights on a one-year basis before the termination of the protocol in question. The termination of the protocol therefore represents a setback for Japanese diplomacy. It was reported that discussions in regard to the fisheries question were continuing between the two countries and it seemed probable that an agreement for a renewal of existing rights would be reached soon.

Five. Japanese position in regard to Japanese violation of American rights in China and Japan.

On December 17, the American Ambassador in Tokyo received from the Japanese Foreign Minister an "oral statement" setting forth the general position of the Japanese Government in regard to Japanese violations of American rights and interests in China and Japan. The statement, which was in reply to representations made by the American Government in June and September of 1940, was comprehensive in character covering cases of an economic nature (such as those arising from the closure of the Yangtze, and from trade and exchange control measures in North China), cases of personal injuries, of property damage, of censoring of mails,

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

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mails, of anti-American agitation, et cetera. The statement attributes to the American Government insistence upon abstract points of legality, refusal to take cognizance of the actual existence of hostilities in North China and the establishment of a "new Government in China", and lack of recognition of the efforts of Japanese military authorities to prevent the occurrence of untoward incidents. It was added that the United States, "while refusing to supply Japan with articles of certain kinds, objects also to Japan's attempt in self-defense at insuring the supply of these articles in the spheres within her reach". The Japanese Foreign Minister informed the American Ambassador that he proposed to send Mr. Terasaki, Chief of the American Bureau of the Ministry of Foreign Affairs to China to investigate the facts concerning outstanding cases.

The statement, both in its tone and in its conclusions, would seem to offer little hope that any improvement is to be expected in the treatment accorded to American nationals and property in Japanese-occupied China. It is evident, however, that the Japanese Government comprehends fully the American position. Despite occasional reports of the adjustment on a reasonably satisfactory basis of certain individual cases, the prospect would seem to be for continued and perhaps increasing pressure by the Japanese authorities upon American economic and cultural activities within occupied

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

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pied territory.

Six. Incident between American marines and Japanese gendarmes at Peiping.

On the evening of December 30 an incident occurred at Peiping between American marines and Japanese gendarmes. According to the Commandant of the American Embassy Guard, an intoxicated Japanese civilian without provocation trained a pistol on an American marine who was entering a cafe. Four American marines disarmed the Japanese and returned to him the gun, after locking it. Ten minutes later a dozen Japanese gendarmes entered the cafe and forcibly seized five American marines and took them to Japanese gendarmerie headquarters. None of the American marines in the cafe was disorderly and none of the five arrested had ever been involved in any previous incident. A request by an American marine officer for the release of the marines was refused as was also a request from the Commandant of the American Embassy Guard. Following a second request from the American Commandant the men were released at 5 p.m. on December 31, eighteen hours after their seizure. One marine reported that he had been man-handled and kicked by the gendarmes.

A spokesman from Japanese army headquarters called on the American Commandant following the release of the
 marines

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

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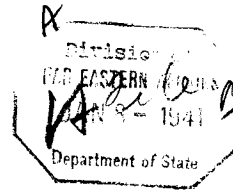
marines on December 31 and expressed a desire to close the case. On January 2 the Commandant of the Japanese Embassy Guard called on the American Commandant at the latter's request and was informed that he would agree to close the case provided (1) the Chief of the Japanese gendarmerie in Feiping Lake apology; (2) assurances were given by the Japanese that steps would be taken to prevent a recurrence of such incidents; and (3) the persons responsible were punished.

The American Commandant was of the opinion that the affair was premeditated by the Japanese. The local Japanese telegraphic office having refused to accept an Associated Press report of the incident, Admiral Hart approved a request for the sending of the report over American naval radio to Shanghai.

RRB
FE:Bacon:JPS

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

TELEGRAM RECEIVED



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

Hong Kong via N. R.

Dated January 7, 1941

Rec'd 9:10 a.m.

Secretary of State,
 Washington.

3, January 7, 9 a.m.

Reference Chungking's November 13, noon.

Nothing new to report about Japanese troop movements
 in the Hong Kong area during the past week.

Sent to the Department, repeated to Chungking, Canton
 and Peiping.

SOUTHARD

CSB

703.04/16423 PS/FP

FILED
 JAN 16 1941

16423

0944

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

TELEGRAM RECEIVED

GMW

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

FROM

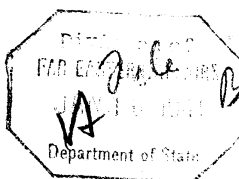
Kunming via Chungking

Dated January 7, 1941

Rec'd. 7:20 a.m., Jan. 9, 1941

1/10/41 JD
 Secretary of State,
 Washington.

January 7, 6 p. m.



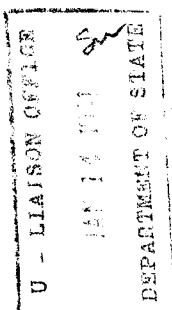
On January 5 nine dive bombers accompanied by three pursuit planes attacked the northeastern section of this city, destroying a number of residences and causing a few casualties but doing no discernible damage to likely objectives. Target appeared to be either the Provincial Government hill or the military reservation north of the small east gate. Nine bombers also reported to have attacked the Burma highway.

Two squadrons of bombing planes also raided points in Yunnan including the Mekong bridge although no results are yet known.

It was learned heavy destruction was caused at the city of Paoshan in an attack on January 4. The City of Kochin was also badly damaged by December raids, it is understood.

Sent to the Department. Repeated to Peiping.

PERKINS



RR

793.04/10424

FILED
 JAN 5 1941

PS/IN

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

GLOBE WIRELESS LTD.

311 CALIFORNIA STREET
 SAN FRANCISCO

JACK KAUFMAN
 EXECUTIVE VICE PRESIDENT

December 26, 1940



Dear Francis:

As a matter of interest I have just received word from Shanghai as follows, and I quote the exact message of our Vice President in China:

#817

FOR YOUR INFORMATION STEP TOWARD JAPANESE MONOPOLY OF COMMUNICATIONS HERE IS ORDER OF JAPANESE MINISTRY OF COMMUNICATIONS PROHIBITING HANDLING OF TRAFFIC BETWEEN JAPAN AND CHINA BOTH NORTHERN AND CENTRAL BY ANY COMPANY OTHER THAN JAPANESE CONTROLLED NAMELY CENTRAL CHINA TELECOMMUNICATIONS COMPANY AND NORTH CHINA TELEPHONE AND TELEGRAPH STOP ORDER EFFECTIVE JANUARY FIRST. SIGNED BROWN

I look forward to seeing you on the Sixth at the meeting of the Defense Communications Board.

Kindest regards.

Yours very sincerely

Jack
 Jack Kaufman

Mr. Francis Coit de Wolf
 Division of International Communications
 Department of State
 Washington, D. C.

757.54/10-23

MR. COIT DE WOLF
 JAN 10 1941

0946

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

AMERICAN COUNCIL
INSTITUTE OF PACIFIC RELATIONS

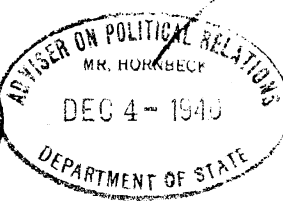
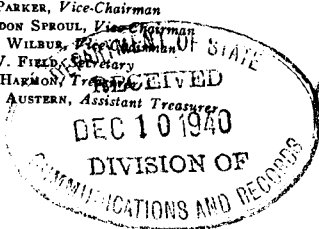
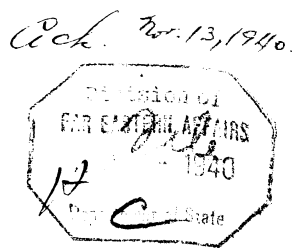
INCORPORATED

260 CALIFORNIA STREET 129 EAST 52ND STREET
SAN FRANCISCO NEW YORK CITY
Telephone: YUKON 1570 Telephone: PLAZA 3-4700

Cable: INFAPREL

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RAY LYMAN WILBUR, Vice-Chairman
FREDERICK V. FIELD, Secretary
FRANCIS S. HARMON, Treasurer
MISS HILDA AUSTERN, Assistant Treasurer



New York, New York

8th November, 1940

Dear Hamilton,

Enclosed is a copy of a letter which
I have written today to Edwin L. James of the
NEW YORK TIMES together with a copy of Mr. Robert
W. Barnett's interview with Mr. Shiratori of
September 26. Whether the TIMES publishes this
or not, I thought that you would want to have a
copy of it in your files.

Sincerely yours,

Edward C. Carter

Edward C. Carter
Acting Secretary

Maxwell Hamilton, Esq.,
Department of State,
Washington, D.C.

793.94
711.94
761.94

703.04/10420

703.04

793.94

DEC 10 1940

FILED

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

New York, New York

8th November, 1940

Dear Mr. James,

Mr. Robert E. Barnett, a member of the staff of the American Council of the Institute of Pacific Relations, visited Japan in September and had the opportunity of conversations with a number of Japanese businessmen, journalists, and government officials. He had a two-hour talk with Mr. Toshio Shiratori, Special Adviser to the Foreign Office, and formerly Japanese Ambassador to Rome. Though Mr. Barnett's interview with Mr. Shiratori was on September 26, I have only recently received Mr. Barnett's account of that interview.

Mr. Barnett tells me that Mr. Shiratori has now come to be a dominating figure in the Japanese Foreign Office. He is one of the most highly regarded officials by the members of the Foreign Office staff. This led Mr. Barnett to the conclusion that Mr. Shiratori's views might be regarded as of great importance by the American people. He therefore suggested that I pass the interview on to you in case you wish to use it in the NEW YORK TIMES.

I ought to add that Mr. Barnett took the precaution to send Mr. Shiratori his write-up of the interview. Mr. Shiratori made a few minor changes. The copy which I enclose is an exact copy of the report as revised by Mr. Shiratori. It is, of course, perfectly obvious that Mr. Barnett does not share Mr. Shiratori's views.

That the Japanese Foreign Office holds Mr. Shiratori and his views in great respect is regarded by some neutral observers as an ominous index of the unanimity prevailing in almost all circles of Japanese opinion regarding Japan's foreign policy.

If you should desire to publish this interview, it is not necessary for you to mention my name in connection with it. Barnett is a former Rhodes scholar and is a son of Eugene Barnett, one of the principal Y.M.C.A. officials in this country. If it should be necessary to indicate who Barnett is, he could be described simply as a member of the research staff of the American Council of the Institute of Pacific Relations.

If you do not think this interview is suitable for publication, I would be grateful if you would return it to me.

Sincerely yours,

Edwin L. James, Esq.,
 New York Times,
 New York

Edward C. Carter
 Acting Secretary

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

Tokyo, Japan
 September 26, 1940

SHIRATORI SPEAKS

Robert W. Barnett

Mr. Toshio Shiratori invited me to call upon him on September 26, 1940. I arrived at the Japanese Foreign Office at twelve o'clock and was ushered immediately into his offices. He concluded our conversation at twelve minutes to two o'clock.

At present Mr. Shiratori is special adviser to the Japanese Foreign Office and to Mr. Matsukata, the Foreign Secretary of Prince Konoye's Cabinet. Until the late summer of 1939 Mr. Shiratori was the Japanese Ambassador at Rome where he became known as a strong advocate of orientation of Japanese policies to the policies of the Rome-Berlin Axis. Shortly after the conclusion of the Soviet - German Non-Aggression Agreement of August 23, 1939 Mr. Shiratori resigned from his Rome post. He was recalled to Japan where he remained in momentary eclipse until the logic of European and Far Eastern developments produced, in Japan, the need for the new leadership provided by Prince Konoye, Mr. Matsukata, and others including Mr. Shiratori. The Japanese press attaches great significance to the views of Mr. Shiratori, both in respect to questions of foreign policy and in respect to important changes now transpiring in the sphere of domestic affairs. Mr. Shiratori, who is a man of fifty three, was appointed to the Japanese Embassy at Rome in September, 1932, less than a year after the conclusion of the Japanese-Italian Anti-Comintern Pact. Before holding that post, he had served in the Japanese diplomatic service in the United States, in Germany, in Scandinavia, and in the Foreign Office at Tokyo where he acquired international prominence as its spokesman during the Manchurian Incident of 1931.

I explained to Mr. Shiratori that I had been informed by many of my Japanese friends that one reason for the existence of strained Japanese-American relations lay with the American press which presented a completely mistaken interpretation of Japan to the American people. I expressed to Mr. Shiratori my belief that there was, undoubtedly, a measure of truth in this complaint and that for that reason I had drawn up five questions upon which I was certain that Americans would value the views of

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one of Japan's leading statesmen. The questions I enumerated were:

(1) With the sealing of most of the Yangtze coastline by the Japanese navy, the closure of the Burma Road, the recent occupation of parts of Indo-China and the concomitant threat through air attack upon Southwest China, China's prospect of obtaining aid from the Western Powers was drastically diminished. In the light of Japan's success in these respects by what manner does Japan intent to bring about a final settlement of the China Affair?

(2) With the proposed establishment of the New Order in Greater East Asia what position may the United States' interests hope to occupy in this system?

(3) In the light of Soviet aid to China how would an amicable settlement by Chinese and Japanese of the China Affair affect Soviet-Japanese relations?

(4) If the German Reich defeats Great Britain upon what general principles would Germany and Japan find common ground for cooperation?

(5) What is the meaning of the "New Structure"? Is it to be a temporary expedient or a permanent change?

Mr. Shiratori's comment upon these questions was that they were a big order. He assured me, however, that he would answer them with complete candour.

His manner of argument was measured and vigorous. A large map of Greater East Asia hung on his wall and his eyes ranged over its design as he talked; seeming to draw Europe, Africa, South and North America into proper relation to the map when his argument touched upon those parts of the world.

In reply to my first question, Mr. Shiratori asserted that Japan's first care was to cut off all aid from the outside world, especially from the Anglo-Saxon Powers, to Chiang. It is Japan's conviction that the tenacity of Chiang's resistance may be explained solely in terms of this aid. Japan's occupation of Indo-China was motivated by this purpose. It is true that the Soviet Union has given China material aid, but in inconsiderable quantities due to the long overland haul. Much more important have been the Burma and Indo-Chinese Roads. Their severance is a severe blow to Chiang Kai-shek.

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It is usually expected that the China Affair will end with a negotiated peace and demand for concessions from China on the part of Japan. However, Japan has no territorial ambitions in China and expects no indemnity. The actual situation is that there is not much to be got from China. China does possess vast territory, but it is insufficient for her own four hundred million inhabitants. In recent years China has had an important surplus, most of which has been foods. It is plain that Japan cannot expect much from such a country. Of course, if Japan were to pursue the example of Great Britain she would exploit China regardless of the welfare of the Chinese people by dumping exports upon the China market. Some Japanese capitalists have had such a prospect in view. These capitalists would have called it cooperation but in fact it would have been exploitation. Such a policy would not have redounded to Japan's real interests. It would have done no more than support Japanese capitalism. Such, of course, has long been the objective of American capitalists and the Christian missionaries in China have been busily paving the way towards its realization. Japan must abandon this habit of thinking. What then must she do?

There is little to be done in China. There is, however, a vast area in the South where the Western Powers have staked out their interests and have made the natives work for them. These areas can feed two hundred million. Now there are sixty million. France has fallen. Where is the government of Holland? Changes are occurring in Europe. Westerners have mistreated Orientals too long. Now is the time for Orientals to throw off their bondage in Indo-China, in Burma, and in Southeast Asia. Why cannot Japan and China jointly take advantage of this opportunity?

As long as Southeast Asia was closed Japan had to go to Korea, Manchuria, and China. These areas, however, are poor. A new order could not be brought into being without the assistance of American capital. Southeast Asia, on the other hand, is a land of "milk and honey." There, resources can be developed. Rubber production, for example, has been restricted in the past in order to keep prices high. This production would be increased. Joint Sino-Japanese expansion into these areas would

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be an ideal settlement of the China affair - and practical, too, in the light of historic chances. China's role in this cooperation would be in respect to population. Chinese labor would migrate by the millions.

I inquired whether the Japanese would avail themselves of the aid of the Chinese Army in occupying Burma. Mr. Shiratori instantly replied that such action would be totally unnecessary. He went on to say that the Indo-Chinese, the Chinese, indeed, all Oriental peoples were by nature peaceful. Westerners had taught them the practices of war. When peace was restored the Chinese would migrate by the millions to new territories, but it was unlikely that the Japanese would migrate. Their advanced state industrially would make it logical for them to manufacture the raw materials provided by other areas.

I asked Mr. Shiratori if the Chinese were cognizant of this new prospect. He replied that they were not because they were too blinded by anti-Japanese sentiment. It is, he continued, Japan's duty to open their eyes. Chiang Kai-shek should understand the meaning of Sino-Japanese cooperation as Asiatic brothers.

That, Mr. Shiratori said, is what is meant by the New Order in Greater East Asia. The White Man's properties will not be taken away or driven out, but the White Man must be forced to see that Oriental peoples are to be treated better than cattle. In the old days the White Man changed things to gold. Japan will not make this mistake but will only go to obtain materials indispensable to her industry. No private merchant will be permitted to accumulate wealth. Trade between Japan and Southeast Asia will be in the nature of barter. She will take no steps to industrialize the area. Obstructing these plans is the United States which, by habit, strives to preserve capitalism and to hamper the development of peoples everywhere.

I expressed my interest in this review of the nature of the New Order, but complained that I was not yet clear how the China Affair was to be ended so that these plans could be brought into effect. Mr. Shiratori replied that the China Affair would be brought to an end by willing it. The army, he explained, could be withdrawn from China were the Japanese to will it so. Such an action could occur

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only after acceptance of an agreement. Its terms would be the easy terms offered to the Tang China-wei government. The West does not understand the Japanese character or the spirit in which the Empire was founded. Take the case of Formosa. Even the most critical must admit that Japan's policies there have been actuated by humanitarian motives. In respect to treatment of the natives there has never been in the history of international relations a comparable case of unselfish policy. Manchukuo has been granted her sovereignty and is bound to Japan by a military alliance. China, having already enjoyed independence, will, of course, occupy a position different from that of either Formosa or Manchukuo. China will become a member of a family of nations in which Japan occupies a position of leadership. Hitler and Mussolini are creating a new order in Europe. They are doing so having used as an example Japan's experience in Asia. Japan's experience in Manchukuo, Japan's withdrawal from the League of Nations, and other similar actions have been instructive to Germany and Italy.

Having discussed along these lines my first question Mr. Shiratori passed on to a consideration of the role to be occupied by American interests in the New Order in Greater East Asia. He said that this question had been, in part, already answered. The Japanese had evolved a new system of economy. As long as the United States was controlled by a handful of merchants and capitalists there was little room for American participation in the New Order. In the New Order there would be no room for personal exploitation. The United States, however, could contribute to the New Order by exporting machines in return for rubber, tin, silk, and so forth. Moreover, with the rising standard of living in Greater East Asia the United States could export greater quantities of industrial goods. Such trade would be, in effect, barter exchanges between America and Asia. This would, naturally, involve the elimination of America's special rights and interests. China would not, however, become a Japanese monopoly for even Japan would claim no such special rights. China and Japan would be bound by special military arrangements and that alone would constitute Japan's "special position."

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When I inquired if the rights and interests of the United States and Great Britain would be eliminated without special difficulties Mr. Shiratori asserted that these interests could be maintained only upon the basis of cooperation between these interests and the Chinese. Unless this cooperation is offered then the Chinese will make difficulties. A notable instance of Chinese methods of making such difficulties was the general tie-up which they produced in Hongkong. (Mr. Shiratori referred, I believe, to the Hongkong general strike of 1925. RRR) Hitherto the exploitation of Chinese by Whites has been implemented by use of gunboats and that alone.

I inquired what legal process would be used to transfer the foreign concessions to Chinese hands. Mr. Shiratori explained that the transfer would have to be made with good will. The Chinese, then, would take over essential vested interests, for example the utilities, and pay for these acquisitions through exportation of commodities desired by the United States such as tung oil. Essential vested interests would, thereafter, remain in Chinese hands. Foreigners would be permitted to retain innocent interests, such as ordinary business. However, railways and inland navigation rights could not conceivably be regarded as innocent. Indeed, Mr. Shiratori inquired, was it not outrageous to consider claims set forth by foreigners that they should be granted such rights in a country other than their own? Experience has demonstrated that Japan is a most satisfactory area for capital investment. The Japanese ask, "Why should not all Asia be equally satisfactory?" When the principle of equality is admitted all difficulties disappear. Preparatory to realization of these conditions Japan must set in order China's finances.

When I reminded Mr. Shiratori that I wished him to discuss the relation of a settlement of the China Affair to Japanese-Soviet relations he said, first of all, that of course a Japanese-Soviet agreement either had to precede or to follow a settlement of the China question. Since the withdrawal of the Soviet from the North Manchurian frontier there was no insurmountable difficulty between the two nations. At this point I told Mr. Shiratori that it had been my impression that

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Chinese resistance had been the product of the joint activities of many groups in China operating within the framework of a United Front. The Chinese communists were a constituent group. What importance would these communists have in Japan's proposed agreements with China and with the Soviet Union? Mr. Shiratori stated that the Soviet Union had instructed the Chinese communists to force the war. In the event that Japan and the Soviet reached an agreement, Russia could not leave these communists in the lurch and would probably want to establish Soviets in Sinkiang, in Tsinghai, in Kansu, and in Shensi. I asked him about Shensi and Mr. Shiratori said that that would be too near the center of China. However, Mr. Shiratori went on to say, the Chinese communists are militarily weak and Chiang Kai-shek, if determined, could dispose of them. At the present time the Soviet Union and the Chinese Government have an agreement, a clause of which stipulates that there will be no political propaganda. Mr. Shiratori was unable to say whether or not the Soviet Union would support the Chinese communists in contravention of its treaty with the Chinese Government. As to the possibility of a partition of China, Mr. Shiratori said that the proposed Sino-Japanese agreement posits one government in China. Were Chiang to wipe out the communists in the northwest this would be realized. Mr. Shiratori frankly admitted that all of the foregoing was based upon the hypothesis that there was a genuine Chiang-Japanese agreement.

When I asked upon what grounds it was conceivable that Chiang might reach an agreement with the Japanese Mr. Shiratori said that he could not say. He asserted, however, that Japanese terms to the Nanking Government were well known to Chiang. In the history of international relations, Mr. Shiratori asked, has there been another case of such generous treatment of the vanquished by the victor?

Referring again to future Soviet-Japanese relations I expressed some dissatisfaction with my understanding of his argument. I explained that China was undoubtedly an important factor in the Far Eastern situation; that its independence and separate existence acted as a balancing factor; that for China to fall under Japanese hegemony would eliminate that factor and place Japan and Russia in a position

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necessitating immediate adjustments of a very intricate nature leading to the creation of a new balance. Mr. Shiratori admitted the force of this point and answered it by saying that the Soviet Union could go south; south, that is to the Persian Gulf, while Japan guaranteed Russia's eastern frontier.

Having discussed in this way Soviet-Japanese relations I requested Mr. Shiratori to explain the lines along which Japanese-German relations might be expected to move. Mr. Shiratori said that after Germany had succeeded in establishing a European autarchy: an autarchy including Africa and the Near East - Germany's concern with other continents would be greatly lessened. Autarchical development would mean less waste and overlapping industrially. Nevertheless, Europe lacks foods, wheat, wool, and so forth. These are not to be had in Asia. It is to South America that Europe must go. These South American products are not needed by the United States. Hence, Europe and South America are mutually indispensable. It is clear that for Europe South America is far more indispensable than Asia. From Asia Europe could obtain rubber, tin, and tungsten and not much more. Asia has these in abundance with enough to spare. Asia will be glad to trade.

Were Hitler to follow the British example he would want Asiatic colonies. Hitler will not, however, follow Britain's example. Funk has already said that after the war Germany would have no use for gold. Gold, in Mr. Shiratori's view, is the source of all evil. Under the British system the more colonies to be had the better. The German idea differs from the British inasmuch as instead of using gold Germany will carry on barter trade with South America, and with Asia. This will be a great contribution to the lasting peace of the world. The elimination of gold, therefore, is necessary. Then there will be two great new orders, one in Europe, one in Asia; with the Soviet Union forming a third. When I asked where the United States stood in the newly emerging arrangements of international society, Mr. Shiratori asserted that the United States would be compelled to form a new autarchy because she would be excluded from relations with Europe and with Asia which she had enjoyed in the past. It is knowledge of this prospect which accounts for

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Wall Street's opposition to Hitler and to Japan.

I asked Mr. Shiratori if under the new system of new orders there would be disarmament. He said that there could be disarmament only if the United States created her own autarchy and set the example in disarmament. However, if the United States continues to spend fourteen billion dollars in rearmament then Japan and Europe must continue to arm. Mr. Shiratori expressed curiosity as to America's ability to continue her rearmament program after having lost her trade with Europe. The United States will soon find rearmament a futility unless she follows the Hitler pattern. Financially the United States is unsound and at present taxes are higher there than in any other country in the world including Germany. Mr. Shiratori does not foresee conflict between the United States and the new orders of Europe and Asia. Japan does not think that the United States can cross the Pacific to attack Japan. Germany has withstood the British Navy despite its proximity. The United States could have a navy in size ten times that of the Japanese navy and still could not defeat it. Hence, the best thing for the United States to do would be to stop bluffing and irritating Japan. The United States overestimates her economic power and Japan's dependence upon America in that respect.

When I asked Mr. Shiratori what effect stationing of American warships at Singapore might have upon Japanese-American relations he asserted that navy men in the United States would not be so silly as to divide the American fleet. However, the existence of parts of the American fleet at Singapore would greatly increase the danger of hostilities. In connection with the dangers to the United States of dividing its naval power Mr. Shiratori cited the case of the Russian fleet during the Russo-Japanese war when parts of the fleet were stationed at Vladivostok, parts at Port Arthur, and parts in the Baltic. A numerically inferior Japanese fleet drove the Russian fleet off the seas.

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My concluding question concerned the New Structure in Japan. Mr. Shiratori explained that the New Structure was being conceived to make Japan independent. Three years of the China war had compelled Japan to adopt the system. The adoption of the new system will have been necessitated, to a considerable extent, by the activities of the United States which have undermined Japanese capitalism. The United States has revealed no statesmanship in forcing Japan to use these new methods and in forcing Japan into the arms of European totalitarianism. This was, however, historically necessary. Capitalism, democracy, Wall Street, Jewish moneyed interests, have combined to overcome good American horse sense. These are the same things that made England and France fight Hitler.

The China Affair, American pressure, and European developments compel Japan to enter upon a great change internally to meet the requirements of the external world situation. In most countries this change could not be brought about without bloodshed. Bloodshed is not expected in Japan. Only in Japan can a wholesale change in Japanese economy, financial conditions, political life, and social life be brought about peacefully. The spirit of the Emperor, the Tenno spirit, makes such a change possible. The fact is, indeed, that Japan has made great sacrifices in blood in China and discovered that a New Order in Asia was impossible without the establishment of a New Order at home.

It is impossible to speak of the balance of forces which comprise the New Structure for it flows only from one source, the Tenno spirit, God in human form. In the modern era Japan has imported ideas and practices alien to this spirit. This spirit is supreme and cannot be gainsaid. When change takes place it must be in conformity with the Tenno spirit. This is fundamental. Under the influence of the West Japan gained certain ideas regarding the rights of individuals; especially, rights of property. These alien ideas must, Mr. Shiratori explained, be abandoned. Moreover, these changes would not entail modification of the Japanese constitution. The Japanese constitution is a document inspired by European ideas, especially those arising out of the French Revolution, but it is different however warped some Japanese

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ideas may have been by western influences. Influenced by England's parliamentary tradition Japanese parties in the Diet and the State have been regarded as having a significance they do not merit. However, it is true that political parties have had significance in passing legislation, under the provisions of the constitution, which the Emperor has put into effect. The elimination of political parties in Japan, therefore, has a special significance likely to be misinterpreted by those not properly informed.

Since the New Structure remains in a preparatory stage it cannot be stated how the system, in detail, will operate. Much depends upon the character of the President and the Prime Minister. Prince Konoye, a moderate, is a man from whom the people expect nothing out of the common. The New Structure necessitates something extraordinary. In the long run it will develop into a totalitarian regime like that of Germany, efficient and successful. However, Japan will adopt only those aspects not out of harmony with the Tenno idea.

As a final question I asked Mr. Shiratori upon what grounds there might be a restoration of Japanese-American friendship and cooperative intercourse. Mr. Shiratori expressed the view that in Japan bitterness has grown so profound that responsible statesmen could not speak of friendship, with optimism. As a result of America's past policies there would be no room for her in Hitler's and Mussolini's throne. While there was some room for her in Asia now, Asia was still relatively poor. After the establishment of the New Order in Greater East Asia, Asia would become self-sufficient and the exports of the United States would be no longer required. The future of Asia leaves little common ground for relations with the United States in an economic way; there being the possibility that room might be found for cultural relations.

(Having closed his forthright discussion on this note I expressed my gratitude to Mr. Shiratori for his instructive analysis of Japan's position in the changing world of the summer of 1940. Our discussion had over-run his lunch hour

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by almost an hour. I had been smoking Mr. Shiratori's cigarettes, having forgotten my own. By way of beliving the hopelessness he had expressed of Japanese-American friendly intercourse, Mr. Shiratori pressed upon me a spare package of his own cigarettes as we parted at the door of his office.)

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DEPARTMENT OF STATE
 ADVISER ON POLITICAL RELATIONS

December 7, 1940

U.
 Mr. Welles✓

Mr. Shiratori has during recent weeks had much influence in Japan. Would one gain insight into the mind of Mr. Shiratori, a perusal of the attached letter by Mr. Robert Barnett, covering his interview with Mr. Shiratori of September 26 (bottom item on this file), although such perusal takes time, is worth while.

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DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

November 28, 1940.

In his letter of November 8, 1940, Mr. Edward C. Carter, Acting Secretary of the American Council of the Institute of Pacific Relations, transmitted to Mr. Hamilton copy of a letter from Mr. Carter to Mr. Edwin L. James of the New York Times offering for use in the New York Times the record of an interview by Mr. Robert W. Barnett on September 26, 1940, with Mr. Shiratori of the Japanese Foreign Office at Tokyo. Following are the outstanding points made by Mr. Shiratori in the interview, according to Mr. Barnett's record of it:

Mr. Shiratori asserted that Japan's first care is to cut off all aid to Chiang Kai-shek from the outside world, especially from the Anglo-Saxon powers (page 2).

Japan does not expect in the ultimate settlement to get much out of China. China's territory though vast is insufficient for her huge population. But in adjacent areas a great opportunity lies. Now is the time for Orientals to throw off their bondage in Indochina, in Burma and in Southeast Asia. Why cannot Japan and China jointly take advantage of this opportunity? Millions of Chinese might migrate into these areas. (pages 3 and 4)

China, having already enjoyed independence, will of course occupy a position different from that of ~~even~~ Formosa or Manchuria.

China

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China will become a member of a family of nations in which Japan occupies a position of leadership (page 5). In the new order there would be no room for personal exploitation, but the United States could contribute by exporting machines in return for rubber, tin and silk. With the rising standard of living in Asia the United States could export greater quantities of industrial goods on a barter basis.

Foreigners would be permitted to retain innocent interests such as ordinary business, but railways and inland navigation rights could not conceivably be regarded as innocent (page 6).

When?
 Since the withdrawal of Soviet forces from the North Manchurian frontier there is now no insurmountable problem between Japan and the Soviet Union (page 6). It was the Soviet Union which instructed the Chinese Communists to force the commencement of the war between Japan and China (July 1937) (page 7). Conflict between Japanese and Soviet spheres of influence can be prevented by the Soviet Union's moving south to the Persian Gulf while Japan guarantees the eastern frontier of the Soviet Union (page 8).

After Germany has succeeded in establishing a European autarchy including Africa and the Near East, Germany's concern with other

continents

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continents will be greatly lessened; but Europe lacks food, wheat and wool which are not obtainable in Asia, and therefore Europe will be forced to turn thereafter to South America (page 8). Conflict between the United States and the new orders of Europe and Asia is not to be expected. Japan does not think that the United States can cross the Pacific to attack Japan. Germany has withstood the British Navy despite its proximity. The United States could have a navy in size ten times as large as the Japanese Navy and still could not defeat it. The United States would not be so silly as to divide the American fleet by stationing warships at Singapore; the defeat in 1905 of the divided Russian Navy by the smaller Japanese fleet is a ready proof of the dangers of division (page 9).

Great political economic changes are in progress in the world. Only in Japan can the change be brought about peacefully (page 10).

In Japan bitterness toward the United States has grown so profound that responsible statesmen cannot speak with optimism of friendship toward the United States. After the establishment of the new order in Eastern Asia, Asia will become self-sufficient and exports from the United States will no longer be required. The future of Asia leaves little common ground for economic relations with the United States but there is a possibility that room may be found for cultural relations (page 11).

cc
 FE:Coville:JRS

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

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 7/1/74

November 13, 1940.

Dear Mr. Carter:

The receipt is acknowledged with thanks of your letter of November 8 with which you were so good as to enclose a copy of a letter which you had written to Mr. James of the New York Times, together with a copy of Mr. Barnett's interview with Mr. Shiratori of September 26.

I look forward with interest to reading Mr. Barnett's account of his interview with Mr. Shiratori and I shall expect to bring it to the attention of a number of my associates here.

Sincerely yours,

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

Mr. Edward G. Carter,
 Institute of Pacific Relations, Incorporated,
 129 East Fifty-second Street,
 New York, New York.

FE:MMH:HES

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DEPARTMENT OF STATE

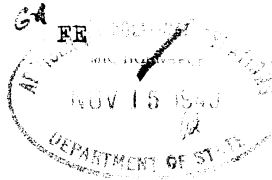
DIVISION OF FAR EASTERN AFFAIRS

PA/
 Mr. Hornbeck

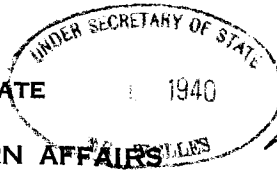
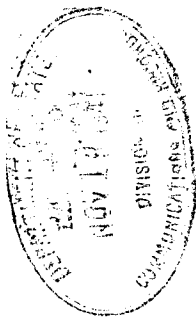
With reference to your memorandum of November 13, asking this Division to bring to Mr. Welles' attention a radio message from the Naval Attache at Tokyo, there is attached a digest of the message in question and comment thereon.

m m/t.

JD
 FE:Davies



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



DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

November 15, 1940

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U - Mr. Welles ✓

792-74

The attached radiograms of November 12 and 13 from the Naval Attache at Tokyo state that prior to the American election, the Japanese press was, at Japanese official behest, notably moderate in what it printed about the United States. When the outcome of the election was known, the press is reported to have been almost unanimously agreed that the President's reelection constituted a forewarning of increased American aid to Britain and China and economic and political pressure on Japan.

The Naval Attache reports much attention being paid in Tokyo to the possibility of German and Soviet mediation in the Sino-Japanese hostilities. Both are said to want to encourage Japan to move southward.

The Naval Attache is informed that there are among the Chinese leaders at Chungking three factions: pro-German, pro-Soviet and pro-American. The first two are declared to be gaining in strength as totalitarian prestige in Europe rises and the difficulties of receiving substantial American and British aid continue. There is mentioned the possibility of a Japanese-Russian agreement under

792-74/15427
JAN 13 1941
FILED

792-74/15427

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-

under which there might ensue a discontinuance of Soviet aid to China and the application of Russian pressure on Chungking to make peace. The Japanese hope that the newly appointed Ambassador to the Soviet Union, Lieutenant General Tatekawa, will be able to persuade the U.S.S.R. to fall in with this Japanese program. The Japanese are reported to be strengthening the Kwantung Army in Manchuria as a measure designed to impress the Soviet Union with the advisability of coming to an understanding.

Comment: Russian pressure on Japan to drive southward is readily understandable, whether the Kremlin is motivated by considerations of communist doctrine or power politics. Although the weight of evidence at present available indicates that the Chinese communists will continue to cooperate with Chiang Kai-shek in opposition to Japan, it may be well to bear in mind the possibility that the Chinese communists ^{might} ~~would~~ welcome a Russo-Japanese agreement, even if such an accord went beyond Russian non-aggression "guarantees" to Japan and provided for a division of China into Soviet and Japanese spheres of influence. (From such an arrangement the Chinese communists might expect to obtain control, through delegation by the U.S.S.R., over the one-half of China designated

DECLASSIFIED: E.O. 11652, 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-

designated as a Russian sphere of influence. Furthermore, they might reasonably anticipate, despite any Russo-Japanese understanding, continuing their underground activities in the Japanese sphere.)

m. m. / H.

ED
FE: Davies: OJL/JPS

FE

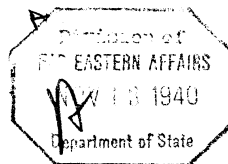
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE
ADVISER ON POLITICAL RELATIONS

November 13, 1940.

✓
RE:

The two pages hereunder of
this report are very interesting
and would be worth, I think,
calling to Mr. Welles' attention.



PA/H:SKH:ZMK

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

JT

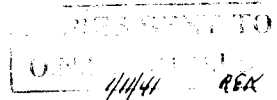
TELEGRAM RECEIVED

NANKING VIA N.R.

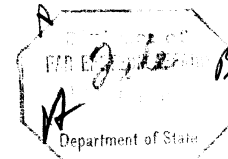
FROM

Dated January 10, 1941

Rec'd 4:28 p.m.



Secretary of State,
 Washington.



9, January 10, 3 p.m.

The local Chinese press reports that a tourist party composed of 23 members of the East Asia League in the Japanese Diet visiting in Nanking since January 7 has been extensively feted.

793.94
 A statement has been issued by the party to the effect that the league is a ray of hope for complete Sino-Japanese peace and the only path for East Asiatic nations to overthrow the oppression of European and American imperialism.

It admits that Japan, though quick to imitate the west, acquired the enmity of East Asiatic peoples by forgetting the kingly way after attaining hegemony and concluded by saying that, owing to their selfishness, the western powers though strong cannot cooperate and can easily be overthrown by East Asiatic nations if the latter arise and return to the kingly way.

Sent to the Department, repeated to Chungking, Peiping and Shanghai. By mail to Tokyo.

PAXTON

NPL

0971

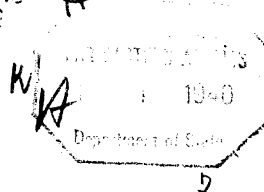
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

ROGER S. GREENE
 548 LINCOLN STREET
 WORCESTER, MASS.



RECEIVED
 DEPARTMENT OF STATE
 1940 NOV 4 PM 3 44
 907 - 15th Street, N. W.
 Washington, D. C.
 October 30, 1940
 COMMUNICATIONS
 AND RECORDS

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



Dear Mr. Hamilton:

I enclose^{aa} of possible interest to you
 copy of a letter which I have just received
 from Mr. K. P. Chen, dated at Kunming October
 14, 1940.

Yours sincerely,

Roger S. Greene
 Roger S. Greene

RSG:dm
 Enclosure

FILED
 JAN 10 1941

755.64/10425

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

KWANG PU CHEN

Foo Shing Trading Corporation,
 Kunming, China,
 October 14, 1940.

Mr. Roger S. Greene,
 c/o Mr. Lawrence Morris,
 Hawkins, Delafield & Longfellow,
 49 Wall Street, New York City,
 N. Y., U. S. A.

Dear Mr. Greene:

Almost without realizing it, over five months have passed since I left the United States. During this period, I spent the entire month of July in Chungking, experiencing nine air-raids, and the past two and half months in Kunming. My stay in Kunming was peaceful until the big raid of Sept. 30th about which you must have read in the newspapers. Since then, we have had two more raids accompanied with much destruction. Yesterday the enemies' special objective was the Yunnan University and the Southwest Union University, both of which were partially destroyed. For two weeks we have had daily air-alarms and work has become very difficult in Kunming.

The establishment of Japanese base in Indo-China presents a serious threat to the entire Southwest. Despite this fresh difficulty, however, our nation remains unwavering in its determination to continue resistance. The third Export-Import Bank loan to China has given us considerable encouragement. Recently various other expressions of a positive Far Eastern policy on the part of the United States, following Japan's formal adherence to the axis alliance, indicates that the international situation is at last turning in China's favor. This naturally raises much hope in our mind as well as in our heart. I wonder whether you, who has been in such close touch with developments in the United States, agree with me in this optimistic outlook about the international situation.

I have devoted most of my time since my return to the study of the problem of the outward transportation of woodoil and the inward trans-shipment of products purchased in the United States. Although the transport of all government material on the Burma Road is handled by the Southwest Transportation Company and is not under my jurisdiction, I am doing my best to help to coordinate the effort of different organizations in connection with this problem. Mr. T. L. Soong, who is in charge of the Southwest Transportation Company, will soon visit the United States and you will be able to learn about the details of this work from him. His job is a gigantic one. I have found their staff very cooperative and am doing what I can to help them so as to do my part in contributing to safeguarding China's credit position in the United States.

Hoping that this letter will find you in good health,

Sincerely yours,

K. P. CHEN

0973

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

November 1, 1940.

Dear Mr. Greene:

I appreciate your thoughtfulness in sending me
with your letter of October 30 a copy of a letter of
October 14 which you have just received from Mr. K. P.
Chen.

Sincerely yours,

7.7/1
Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs

793.94
Mr. Roger S. Greene,
907 Fifteenth Street, N. W.,
Washington, D. C.

MMH:HES

797.94/16428

16/30

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

TELEGRAM RECEIVED

EH

GRAY

Kunming via Chungking & N.R.

FROM

Dated January 10, 1941

Rec'd 1:35 p.m., 11th.

COPIES SENT TO
ONE AND MLD
4/3/44 REK

Secretary of State,
Washington.

RECEIVED
FOR EXTERNAL AFFAIRS
JAN 11 1941
Department of State

January 10, 9 a.m.

From sources likely to be informed, it is learned that Japanese bombers on January 6 hit the original Mekong River highway bridge, previously damaged in October, but that repairs could be effected within a few days time. Smoke screens have been used recently during attacks and are stated to have proved of value". Sent to the Department. Repeated to Peiping.

JOHNSON

NPL

ASIAN POLITICAL RELATIONS
MR. HUNNBECK
JAN 14 1941
DEPARTMENT OF STATE

FILED
JAN 16 1941

167-0

0975

DECLASSIFIED: E.O. 11652, 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

TELEGRAM SENT

TO BE TRANSMITTED
~~CONFIDENTIAL CODEX~~
 NONCONFIDENTIAL CODE
 "Br" PLAIN

Department of State

Collect { Full rate
 Day letter
 Night letter

Charge Department:

Full rate
 Day letter
 Night letter

Charge to AMEMBASSY,
 \$

Washington,
 January 15, 1941
 5 p.m.

CHUNGKING (CHINA).

INFO: AMEMBASSY, PEIPING (CHINA).

Naval Radio
 This cable was sent in confidential Code.
 It should be carefully paraphrased before
 being communicated to anyone. Br

7
 Kunming's January 10, 9 a.m., forwarded by you.

As the telegram under reference contains military
 information, the Department ^{feels} believes that it should
 have been sent in confidential code. xx

Sent to Chungking. Repeated to Peiping.

Hill
W

JAN 15 1941 PM 4 41

793.94/16430

793.94/16430

JAN 15 1941

64
 FE:GA:HNS

Enciphered by _____

Sent by operator _____ M., _____, 19____

0976

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

COPIES
STATE DEPT.

EH **TELEGRAM RECEIVED** 1/11/41 RSK
This telegram must be Hong Kong via N. R.
closely paraphrased be-
fore being communicated Dated January 12, 1941
to anyone. (br) FROM Rec'd 9:26 a.m.

SUBSTANCE COMMUNICATED ORALLY
TO ONI AND MID 1/13/41 2D
Secretary of State,

Washington:

9
January 12, noon.

STRICTLY CONFIDENTIAL.

A reliable observer recently arrived from Hainan Island has told me that appearances strongly indicate that the Japanese are constructing two considerable air fields of which one is perhaps 50 miles southeast of Hoihow and the other 50 miles southwest of Hoihow. If sufficient details are later obtainable an airmail report will be made.

I am also reliably informed that work of improving and enlarging the previously reported air field near Hoihow steadily continues.

Sent to the Department. Repeated to Chungking, Canton and Peiping for Tokyo.

SOUTHARD

TFV

793.94/16471

PC/RT

DECLASSIFIED: E.O. 11652, 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 dated January 12, noon, from Hong Kong reads substantially as follows:

I have been informed by a reliable source who has recently come to Hong Kong from Hainan that it would appear that the Japanese are building two rather large air bases, one of which is about 50 miles southwest of Hoihow and another about the same distance to the southeast of the city. A further report will be made by air mail if additional information is obtained.

Reliable information has also been received that the improvement and extension of fields near Hoihow, which have been previously reported, continues to be made.

CA:JD

FE:JD:OJL

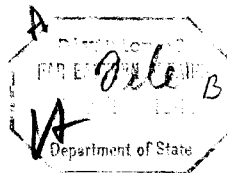
1-14-41

0.978

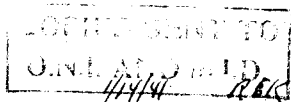
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

FROM



ATP



GRAY

SHANGHAI VIA N.R.

Dated January 13, 1941

Rec'd 2:18 p.m.

Secretary of State,
Washington

56, January 13, 6 p.m.

Japanese civilian doctor from Wusih on a visit to Shanghai was shot by an unknown gunman yesterday on Nanjing Road and seriously wounded. Motive of crime is unknown. Settlement police are making exhaustive investigations.

Sent to the Department repeated to Chungking and Peiping; by air mail to Tokyo.

LOCKHART

KLP

JAN 13 1941
FBI

700. 4/1/41

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

TELEGRAM RECEIVED

JR

PLAIN

COPIES SENT TO
 D.M. AND M.L.D.
 1/14/41 REK

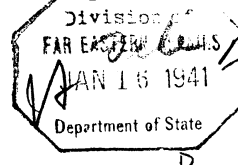
FROM

Nanking via N. R.

Dated January 15, 1941

Rec'd 12:50 p.m.

Secretary of State,
 Washington.



19, January 15, noon.

REK The local Chinese press reports that Japanese Ambassador ~~Hara~~ ^{Honda} having concluded conference with Japanese consular officers and liaison officers of the China Affairs Board, is returning to Japan today for consultation with the Foreign Office.

Sent to the Department, repeated to Chungking, Peiping and Shanghai, by mail to Tokyo.

PAXTON

CSB

FILED
 JAN 16 1941

DECLASSIFIED: E.O. 11652, 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. Detention by the Japanese authorities
 at Kaifeng, Honan, of supplies consigned to the American
 mission at Hsuehchang, Honan.

fp

793.94 / 16454

For the original paper from which reference is taken

See Des. #299
 (Despatch, telegram, instruction, letter, etc.)

Dated Dec. 6, 1940 From Tsinan (Fawthorne)
 To

File No. 893.00 P. R. Tsinan/134

DECLASSIFIED: E.O. 11652, 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 Relations between China and Japan.

Quotes translation of Wang Ching Wei's New Year's message,
 issued by Central Press Service of China under
 Nanking dateline, December 31, 1940, which includes
 information on,-

FLH

793.94/16435

For the original paper from which reference is taken

See Tel # 4 5 PM
 (Despatch, telegram, instruction, letter, etc.)

Dated Jan. 6, 1941 From China (Nanking)
 To (Paxton)

File No. 893.00/14623 SECTIONS 1, 2, and 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

CROSS-REFERENCE FILE

NOTE

SUBJECT Japanese military officer shot in
 Japanese-controlled Honkew area.

rr

For the original paper from which reference is taken

See tel. #1401, noon
 (Despatch, telegram, instruction, letter, etc.)

Dated Dec. 17, 1940 From Shanghai (Lockhart)
 To

File No. 893.102s/2380

700.34/16436

DECLASSIFIED: E.O. 11652, 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 Japanese military operations in China
 following the reopening of the Burma
 Road.
 Information with regard to -.

rr

733.9416437

For the original paper from which reference is taken

See #5160
 (Despatch, telegram, instruction, letter, etc.)

Dated Nov. 20, 1940 From Japan (Grew)
 To

File No. 894.00 P.R./155

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 Possibilities of Sino-Japanese peace.

Summary of conversation between Mr Yamada and
 Dr Leighton Stuart, concerning -, on
 Dec. 9.

mn

793.94/164.8

For the original paper from which reference is taken

See tel. # 513, noon
 (Despatch, telegram, instruction, letter, etc.)

Dated Dec. 11, 1940. From } China (Smyth)
 To }

File No. 793.94119/ 711

793.94

0985

DECLASSIFIED: E.O. 11652, 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

79594
SUBJECT Sino-Japanese conflict: developments in Chefoo Consular District.

793.54/16409

For the original paper from which reference is taken

See #167 to Embassy, Peiping.

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

Dated Nov 12, 1940

From } Chefoo (Roberts)
To }

File No. 893.00 P.R. Chefoo/163

DECLASSIFIED: E.O. 11652, 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) Military Situation.

743.94
 There was no change in the military situation during the month and guerrillas carried on their usual operations in cutting communications, destroying bridges and harassing Japanese garrisons in the larger towns.

Many

-
- (2) Despatch No. 106, November 7, 1940 to the Embassy at Peiping on the subject "British Navy Surrenders Wei-haiwei to the Japanese".

- 8 -

Many conflicting reports regarding disturbed conditions in the interior are in circulation. One report told of clashes between the Chinese and the garrison in the Lu-ping district near Chefoo. Another source brings a report of an attack by a strong force of guerrillas on the Chefoo bound bus about 20 miles out of Wei-haiwei on October 3rd. This attack, it is said, resulted in casualties to passengers, crew and guards.

While these reports are conflicting and often are exaggerated there is no doubt that the guerrillas are active in their campaign to annoy the Japanese. Missionaries in the interior report the sound of rifle fire at night. They also have observed destroyed bridges and other evidence of attempts to interrupt communications in the interior.

DECLASSIFIED: E.O. 11652, 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 Relations between China and Japan.

Copy of "Saving Democracy in China" broadcast by
 Dr. Hu Shih on the NEW YORK HERALD TRIBUNE
 Forum, October 24, 1940, containing information
 on,-

FLH

793.94/10640

For the original paper from which reference is taken

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

Dated Nov. 4, 1940 (Rec'd) From Chinese Embassy
 To

File No. 894.24/1146

DECLASSIFIED: E.O. 11652, 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 Japanese Ambassador stated to Molotov that as soon as the Sino-Japanese war was finished and in the absence of an agreement with the Soviet Union Japan would transfer all armies to Manchuria.

mn

For the original paper from which reference is taken

See Tel # 1638, 7 pm
(Despatch, telegram, instruction, letter, etc.)

Dated Nov. 28, 1940 From U.S.S.R. (Steinhardt)
To

File No. 761.9411/ 68

755.94/16441

DECLASSIFIED: E.O. 11652, 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

Activities of the Communist forces in China.
 Information received by the Assistant
 Military Attache with regard to -.

rr

703.94/16440

For the original paper from which reference is taken

See tel. #622, noon
 (Despatch, telegram, instruction, letter, etc.)

Dated Dec. 16, 1940 From China (Chungking) Johnson
 To

File No. 893.00/14605

DECLASSIFIED: E.O. 11652, 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 Kuomintang- Communist relations. Substances of conversation between General Shang Chen Hake, now Director of General Office of Military Affairs Commission in Chungking, and an officer of the Embassy in regard to,--.

753.94/16415

fp

For the original paper from which reference is taken

See Tel. 638- 11am
 (Despatch, telegram, instruction, letter, etc.)

Dated Dec. 28, 1940 From China (Chun-king)
 To (Johnson)

File No. 893.00/14615

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

CROSS-REFERENCE FILE

NOTE

SUBJECT A determined air offensive on the part of the Japanese
 against Yunnan Province continued throughout the
 month of October.

793.94/164:1

For the original paper from which reference is taken

See #148
 (Despatch, telegram, instruction, letter, etc.)

Dated Nov. 25, 1940 From Kunming (Perkins)
 To

File No. 893.00 P.R. Yunnan/143

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

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese relations.

Report concerning -, for period of month of October, 1940,
for Hankow area.

mn

793.94/16445

For the original paper from which reference is taken

245

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

Dated Nov. 9, 1940 From Hankow (Spiker)
To

File No. 893.00 P.R. Hankow/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

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT Relations between China and Japan.

Quotes extracts from New Year broadcast of General
Chiang Kai Shek and especially portion dealing
with,-

FLH

793.94 / 16416

For the original paper from which reference is taken

See Tel # 1 11 am
(Despatch, telegram, instruction, letter, etc.)

Dated Jan. 1, 1940 From China (Chungking)
To (Johnson)

File No. 893.00/14618

DECLASSIFIED: E.O. 11652, 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 Relations between China and Japan.

Quotes extracts from a New Year's address broadcast to
 United States by the Chinese Foreign Minister
 which includes information on,-

FLH

703.54 / 16447

For the original paper from which reference is taken

See Tel # 2 NOON
 (Despatch, telegram, instruction, letter, etc.)

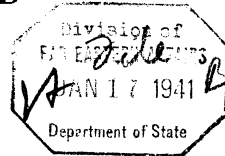
Dated Jan. 2, 1941 From China (Chungking)
 To (Johnson)

File No. 711.93/461

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

TELEGRAM RECEIVED

FROM



RECEIVED ORALLY
 1/17/41 JD

HSM

This telegram must be
 closely paraphrased
 before being communi-
 cated to anyone. (Br.)

Chungking via N. R.

Dated January 16, 1941

Rec'd 9:30 a. m.

Secretary of State,
 Washington.

January 16, 11 a. m.

Reference our January 11, 10 a.m.

Following from Kumping:

"January 15, 9 a. m.

My January 10, 9 a. m.

It is understood that traffic has been resumed
 over the recently damaged Mekong bridge and that
 convoys are now arriving here."

Sent to the Department. Repeated to Peiping.

TFV

JOHNSON

7-1-41
 12-1-41
 FILED

0996

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

TGS

TELEGRAM RECEIVED

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

Tokyo

Dated January 16, 1941

Rec'd 11 a.m.

ASSISTANT SECRETARY OF STATE
 FEB 10 1941
 MR. LONG

Secretary of State
 Washington.

ADVISED ON POLITICAL RELATIONS
 MR. HORNBECK
 JAN 18 1941
 DEPARTMENT OF STATE

Division of
 FOREIGN AFFAIRS
 JAN 17 1941
 DEPARTMENT OF STATE
 DIVISION OF
 FOREIGN SERVICE ADMINISTRATION

79, January 16, 9 p.m.

STRICTLY CONFIDENTIAL.

The Manager of the National City Bank in Tokyo has

told a member of my staff that a Japanese woman who is
 an American citizen has asked Mr. Coe's assistance in
 bringing the following information to the attention of
 the American Government.

She said that when in company with some Japanese
 acquaintances recently she had seen a file of Japanese
 translations of despatches from American officials in
 the Orient to the American Government. Her acquaintances,
 she said, were making much of these documents. The
 only one she had been able to examine herself was one
 from Ambassador Johnson which was written, she thought,
 early in November and dealt with his conversations held
 in October 1940 with Chiang Kai-shek and others at
 Chungking regarding American, Russian, British, French
 and other assistance to the Chinese National Government,
 including comment regarding the prospective American
 \$100,000,000. loan.

Mr. Coe stated

793.94/16449

PS/Confidential File

FILED
 NOV 16 1942

See
 793.94/16449
 to 801 Jan 17/41
 from Tokyo

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

-2- #79, January 16, 9 p.m., from Tokyo.

Mr. Coe stated that although the story sounded incredible he felt that the woman was reliable and was telling him a true story.

GREW

TFV

DECLASSIFIED: E.O. 11652, 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

EH

This telegram must be Hong Kong via N. R.
 closely paraphrased be-
 fore being communicated **FROM** Dated January 16, 1941
 to anyone. (br)

Rec'd 6:35 p.m.

Secretary of State,
 Washington.

15, January 16, 5 p.m.

STRICTLY CONFIDENTIAL.

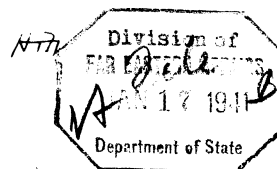
Reference my No. 9, January 12, noon.

The Japanese air field under construction south
 by west of Hoihow is at Limko about 80 miles from Hoihow
 and near Nodoo. The air field south by east of Hoihow
 is at Sengland near the coast and about 40 miles by road
 from Hoihow.

Sent to the Department, repeated to Chungking,
 Canton, and Peiping for Tokyo.

NPL

SOUTHARD



793.94/10-30

CP/SC

DECLASSIFIED: E.O. 11652, 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

The following is the substance of a confidential telegram (no. 15) dated January 16, 1941, from the American Consulate General at Hong Kong:

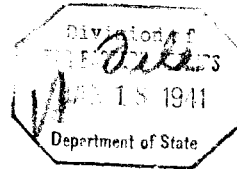
Near Nodoa and about eighty miles south by west from Hoihow at Limko the Japanese have an airfield under construction. The airfield at Sengland is near the coast and about forty miles by road south by east from Hoihow.

177
FE:HPF:HNS
1/18

JD
FE

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

TELEGRAM RECEIVED



FROM

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

Tokyo

Dated January 17, 1941

Rec'd 5 a.m.

Secretary of State,
Washington.

80, January 17, 10 p.m.

Code text of our 79, January 16, 9 p.m., being air
mailed to Shanghai.

In this connection the Department may wish to refer
to our despatch No. 5208 of December 12, 1940.

GREW

TFV

FILED
FEB 1 1941

765.64/16401

26/23

16451

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

TELEGRAM RECEIVED

KD

Hong Kong

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

Dated January 17, 1941

Rec'd. 1:38 p.m.

1/18/41
 Secretary of State,

COPIES IN PARAPHRASE

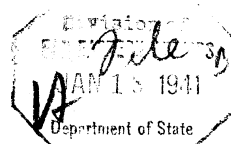
SENT TO C&N.I. AND

1/18/41 REX

Washington.

16, January 17, 10 a.m.

STRICTLY CONFIDENTIAL



17-74

A reliable observer recently arrived from
 Hainan Island definitely confirms previous reports
 we have heard that the Japanese Naval authorities
 have superseded the military in control of affairs
 on that island. The observer remarked that the
 naval authorities appeared much more efficient than
 the military and were more reasonable in their
 dealings with foreigners living on the island.

From the same source I have learned that several
 weeks ago there were landed in one lot at Hoihow
 approximately 1,000 large motor trucks marked as
 property of the Japanese Navy. Large shipments of
 supplies and equipment apparently for naval or
 military use, of which a reasonably exact description
 is not so far obtainable, are being landed almost
 daily from numerous Japanese transports mainly at

Hoihow

753.54/10402 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

-2- 16, January 17, 10 a.m., from Hong Kong.

Hoihow and at the Same naval base in the south.

Sent to Department.

Repeated to Chungking, Canton and Peiping for
Tokyo.

SOUTHARD.

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

CONFIDENTIAL

ConfidentialPARAPHRASE

The following is the substance of a confidential telegram (no. 16) dated January 17, 1941, from the American Consulate General in Hong Kong:

The Consul General has received confirmation from a trustworthy informant who has recently come here from Hainan of previous reports to the effect that the Japanese Army has been replaced by the Navy as the service in control on the Island. Our informant states that the Navy seems to be more efficient than the Army and is in its contacts with third power nationals living on Hainan noticeably more reasonable.

Several weeks ago, the same informant declares, about 1,000 large trucks which were identified as belonging to the Navy were landed at Hoihow in one shipment. Considerable quantities of military supplies and material are being constantly landed from many Japanese transports, principally at Hoihow and Sama which is a Japanese naval base on the south part of the Island. Precise descriptions of the supplies and equipment have not thus far been obtained.

793.94/16452

FE:JD:HNS
 1/21

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

Confidential

PARAPHRASE

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Several weeks ago, the same informant declares, about 1,000 large trucks which were identified as belonging to the Navy were landed at Keihow in one shipment. Considerable quantities of military supplies and material are being constantly landed from many Japanese transports, principally at Keihow and Dama which is a Japanese naval base on the south part of the island. Precise descriptions of the supplies and equipment have not thus far been obtained.

793.94/16452

FE:JD:HNS
 1/21

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

Confidential

PARAPHRASE

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The Consul General has received confirmation from a trustworthy informant who has recently come here from Hainan of previous reports to the effect that the Japanese Army has been replaced by the Navy as the service in control on the island. Our informant states that the Navy seems to be more efficient than the Army and is in its contacts with third power nationals living on Hainan noticeably more reasonable.

Several weeks ago, the same informant declared, about 1,000 large trucks which were identified as belonging to the Navy were landed at Haikow in one shipment. Considerable quantities of military supplies and material are being constantly landed from many Japanese transports, principally at Haikow and Sams which is a Japanese naval base on the south part of the island. Precise descriptions of the supplies and equipment have not thus far been obtained.

DECLASSIFIED: E.O. 11652, 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

~~RD~~
~~SA~~
WAA

Kunming's dispatch no 156
repeats rumors of a possible
Japanese invasion of Yunnan.
To note and file.

75

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

No. 136

Subject: A heavy situation in Yunnan.

RECEIVED
 DEPARTMENT OF STATE

1941 JAN 18 AM 9 55

DIVISION OF
 COMMUNICATIONS
 AND RECORDS

RB

Good
 Perkins

ONI MID

793.94/16453

COMMERCIAL AFFAIRS
 Department of State

FEB 6 - 1941
 DIVISION OF
 COMMUNICATIONS
 AND RECORDS

I have the honor to refer to Chungking's telegram to the
 Embassy, Chungking of December 23, 1940, which reported
 a certain section of the local Chinese military authorities
 of the belief that Japan would soon attempt a
 heavy invasion of Yunnan Province. The Consulate offered
 the report merely for its worth as showing current military
 opinion here. No confirmation has been received in other
 sections, either from informed Chinese civilians or foreign
 agents. Its principal claim to plausibility resides in
 the Japanese hesitation to continue southward in view
 of the reverses of Japan's ally, Italy, and recent firmer
 attitudes by the United States and Great Britain. It has been
 the general opinion here that the Japanese withdrawal from
 Kwangsi lessened in a marked degree the possibility of a thrust
 into Yunnan.

A further reason for reporting the above circumstance
 was the recent increase in troop movements toward southeastern
 Yunnan. I am informed by responsible French sources here
 that about 5,000 troops were moved down the railway one month
 ago and that 9,000 more troops were recently despatched in the
 same direction; all these forces were Yunnanese. My informants
 also stated that some four or five thousand Central Government
 troops formerly stationed in the southeastern region have
 recently been withdrawn and replaced by Yunnanese troops.
 The precise disposition of these forces was not known, but some
 have left the railway at Kaiyuan, while others have gone as
 far as Shihhsun (正村), which is 150 kilometers by rail north
 of Kowow and at present the end of the railway line. The French
 officials confirm the Consulate's previous information
 that a number of Japanese attacks on railway points (near

* Chungking's telegrams to the Embassy, Chungking of October 21,
 5 p.m.; November 16, 10 a.m.; December 2, 3 p.m.; December 4,
 2 p.m.; December 12, 2 a.m.; December 14, 4 p.m.; and December
 23, 11 a.m.

FILED

PS/JI

DECLASSIFIED: E.O. 11652, 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 -

Kengtsz, Wismihohai, Chihstun and Laiyuan) have had military concentrations and equipment as objectives. It is stated that the Japanese must frequently have information of movements of troops and materiel in this region.

That such an invasion by Japanese forces from the south or east would be extremely difficult is well-recognized, not only because of the obstructive terrain, which would be favorable to the Chinese style of fighting, but also because of the necessity of maintaining long lines of communication and provisioning in virtually barren territory and exposure to malignant diseases, particularly the type of malaria which is prevalent in southern Yunnan. Entry along the Red River to Lanhai and thence to the Kengtsz plain along the old caravan trails, is a possibility which would afford access to the railway, occupation of the tin region, and establishment of a large air base for closer contact with the running transportation arteries and a consequent saving of gasoline.

A more remote possibility is entry from points in northwestern Indochina where Chinese defense is not, at present at least, formidable, and where there are few established roads for Chinese troop dispositions. Invasion at this point if successful could settle the question of the Burma supply route into China and would allow the establishment of a base for attack on Burma itself. Here, again, the factor of topography would be a deterrent to the Japanese. In this connection, the Consulate has received information from responsible American sources (which state that no confirmation can be obtained) that the Japanese air force has plans for an air base in extreme northwestern Indochina, which would command the Burma Highway and would bring Lashio and even Mawlaikyun within dangerously close flight range of Japanese bombers.

In all discussions of a Japanese attempt to invade Yunnan the question arises of the attitude of the Provincial Government. This point is frequently mentioned by foreign commentators here who appear dubious (many of them) of local loyalty to Chungking should sufficient attraction be offered for defection. It is pointed out that a perfunctory defense of the province or veiled cooperation with the invader would allow its occupation. (For that matter, occupation of key points through aerial transport of troops, under such circumstances, is not beyond the bounds of possibility.) However, semi-official Chinese who are here for the war period appear to show little anxiety in this regard. The Consulate feels now as it has for some time that the Provincial Government would not care to risk the possibility of the richest part of the province immediately becoming a battleground between National Government and Japanese forces, which would likely occur in the hypothetical case given. It is still believed that the chief interest of the local government is in maintaining the independent character which it has held for so long and which it is almost certainly aware it would lose under Japanese invasion or influence. The reluctance of the Provincial authorities to allow the entry of large bodies of National troops can plausibly be explained on the latter ground.

There has been no lack of cooperation in fact for the destruction
of

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

- 3 -

of the lower section of the Yunnan Railway, and the public attitude and exhortations of Chairman Lung Yun and other officials, backed by numerous defense measures, show no lack of resolution to support the cause of China as an independent nation.

Respectfulyy yours,

Troy L. Perkins
Troy L. Perkins,
American Consul.

In quintuplicate to the Department (original by airmail);
Copy to Embassy, Peiping;
Copy to Embassy, Chungking.

800
TLP/tlp

No 2277

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

EH

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

Chungking via N. R.

Dated January 19, 3 p.m.

Rec'd 10 a.m.

Secretary of State,

FROM

Washington.

January 19, 3 p.m.

FOLLOWING FROM YUNNANFU:

"January 16, 2 p.m. It is learned that General Ho

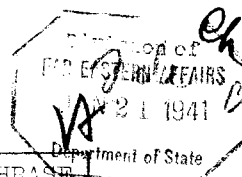
Ying Chin Minister of War is now in Kunming. One purpose of his visit is said to be investigation of transportation on the Burma highway and possible reorganization of transport organs. Apparently strict Governmental control of traffic and cargo is envisaged, probably to allow increased importations of supplies needed for the war effort.

Another reason for the visit possibly has to do with the Indo-China border situation, as continuing rumors assert that military action is feared there. I learned today on good authority that Japanese plain clothes men have been discovered at Ch'i Ang Ch'eng (3068-1004), about 80 kilometers east of Szemao and the Provincial Government believes that an attempt will be made to stir up a bandit insurrection in that area, with possibly a puppet regime to be established under Chiang Ts'an Po, former Tacyin of Mengtsze who left the province last year and has since joined Wang Ching Wei".

Sent to the Department. Repeated to Peiping.

EMB

JOHNSON



COPIES IN PARAPHRASE
 SENT TO O.N.I. AND
 I.D. IN CONFIDENCE

793-74
 11/1/41
 811-24

793-74/1040

FILED

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

(CONFIDENTIAL)

CONFIDENTIAL

PARAPHRASE

A telegram of January 19, 1941 from the American Ambassador at Chungking transmits a telegram of January 16 from the American Consulate at Yunnanfu which reads substantially as follows:

The Chinese Minister of War (General Ho Ying-chin) is in Kunming at the present time, according to information received by the Consulate. It is said that possible reorganization of organs of transport and investigation of transportation on the Burma highway is one purpose of General Ho's visit. It seems that strict control by the government of cargo and traffic is contemplated. It is likely that this control is for the purpose of allowing supplies needed for the war effort to be imported in increased quantities. As rumors persist to the effect that military action is feared on the Indochina border, it is possible that General Ho's visit has to do also with this border situation. According to information received by the American Consul from a reliable source on January 16, Japanese plain-clothes men have been found about fifty miles east of Szemao (3088-1004), and it is the opinion of the Provincial Government of Yunnan that an effort will be made to incite an insurrection by bandits in the area around Ch'i Ang Ch'eng, with the possibility that a puppet government may be set up under Chiang Ts'an-po.

Chiang

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

-2-

Chiang Ts'an-po, who left Yunnan Province in 1940 and
later joined Wang Ching-wei, was formerly a magistrate
of Kengtze.

793.94/16454

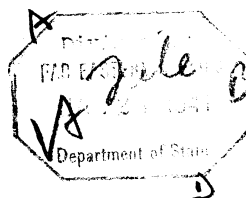
89C
FE:EGC:MHP JD
1/22/41 FE

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

TELEGRAM RECEIVED

ATP
This telegram must be **FROM** Amoy via N.R.
closely paraphrased be- Dated January 18, 1941
fore being communicated to Rec'd 10:00 a.m. 19th
anyone (br)

RECEIVED ORAL
1/22/41
Secretary of State,
Washington



2
January 18, noon.

793 14
A Formosan puppet judge of the Amoy Court was shot
in the ^{spine} last night in the International Settlement
by a Chinese assassin. His condition is satisfactory.
The Municipal Council police authorities in close coop-
eration with the Japanese Consular police are making
every effort to secure the arrest of the culprit who
was seen by passersby. Traffic between Kulangsu and
Amoy is temporarily restricted to foreigners and
government employees but so far no international
complications threaten.

Sent to the Department.

Repeated to Paiping and Chungking.

MERRELL

DDM

(*) Apparent omission

700.04/16455

18/01

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

COPIES IN PARAPHRASE
 SENT TO O.N.I. AND
 M.I.D. IN CONFIDENCE
 1/23/41

TELEGRAM RECEIVED

EDA

This telegram must be HONG KONG VIA N.R.

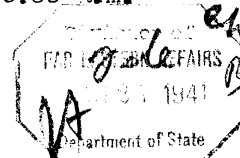
Closely paraphrased
 before being communi-
 cated to anyone (BR)

FROM Dated January 20, 1941

Received 6:55 a.m.

1/23/41 TD
 Secretary of State

Washington



22, January 20, noon.

I have been informed confidentially and reliably
 that an additional Japanese approach to their recently
 intensified endeavor to obstruct the Shayuchung-Shiukwan
 trade route, which now appears in the way of becoming
 one of the most important into free (?), is an apparent
 instigation of Chinese piracy in Miro Bay.

In this Bay, which as British territorial waters
 the Japanese apparently do not at this time wish openly
 to violate, several attacks by Chinese pirates against
 Chinese shipping to and from Hong Kong have recently
 caused comparatively serious loss of life and cargo.

As a result the Hong Kong police have sent armed
 launches there which have destroyed pirate junks and
 launches during the past several days. Pirate attacks
 on shipping now have practically ceased and the police
 are believed to have the situation well in hand unless
 unusually strong pirate forces should come from Bias Bay
 where bandits anchor from time to time.

Sent to Department, repeated to Chungking, Canton
 and Peiping for Tokyo.

Southard

WTC

707.24/16456

FILED

1/23/41

71344
 1/23
 8007

8

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (no. 22) of January 20, 1941, from the American Consul General at Hong Kong reads substantially as follows:

According to reliable confidential information received by the American Consul General an apparent instigation of piracy in Mire Bay is an approach made by the Japanese in addition to the intensified endeavor which they made recently to obstruct the trade route between Shaguchung and Shikwan, which seems now about to become one of the most important routes into free China. Comparatively serious loss of life and cargo have resulted recently from several attacks against Chinese shipping to and from Hong Kong by Chinese pirates operating in Mire Bay, which seemingly the Japanese do not desire to violate openly as it is British territorial waters. During the last few days the Hong Kong police have sent to Mire Bay, as a result of the above-mentioned attacks, armed launches which have destroyed the junks and launches belonging to the pirates. Unless very strong forces of pirates should come from Bias Bay where bandits sometimes anchor, it is believed that the police have control of the situation as pirate attacks on shipping have practically ceased now.

793.94/16456
EGC
FE:EGC:MHP JJD
1/22/41 FE

101F

FE

PLAIN

4/2/44 REK

Rec'd. 5 p.m., Jan. 19, 1941.

DIVISION OF
 FAR EASTERN AFFAIRS
 JAN 21 1941
 Department of State

793.94

1

FILED

50

In readjusting military forces in various war zones, the high command as early as December nine last year ordered the new fourth army south of the Yangtze river to move north of the river before December thirty one, and continue moving northward until it has crossed the Yellow River for operation against

DECLASSIFIED: E.O. 11652, 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- GMW 28, January 18, 4 p.m. from Chungking via N. R.

against the Japanese by January thirty one, the spokesman revealed. The region between Fanchang and Tungling in southern Anhwei was designated as the route for the army to cross the Yangtze river.

On the contrary, the new fourth army at Kingsien, over sixty kilometers south of Wuhu, started moving in southerly direction toward Taiping in the south, its objective being to launch a surprise attack on General Shang Kwan Yun Hsaing's headquarters.

It happened that the 40th Division, transferred from southern Kiangsu, was on its way northward for reorganization. Having learned of its route and its arrival at Sanchi, about fifty kilometers south of Kingsien, on New Years day, the entire new fourth army slipped through to Maolin, which is about forty kilometers south of Kingsien, on the night of January four. It spread out in three forces to waylay the 40th Division.

Taken completely unawares, the 40th Division fought in self defense. Whereupon, General Ku Chu Tung, commander in chief of the third war area, at once ordered that disciplinary measures be taken by January twelve, the entire new fourth army was disbanded and its commander Yeh Ting arrested. Furthermore, by order of the National Military Council, the new fourth army as a unit has been abolished.

Chao Ling

DECLASSIFIED: E.O. 11652, 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- GMW 28, January 18, 4 p.m., from Chungking via N. R.

Chao Ling-Po, chief of staff of the new fourth army, was among those arrested. According to his statement, as soon as the order for the removal of the new fourth army was received, Yeh Ting decided to ignore it. The plan was to move into Kintan, Tanyang, Kuyung, Lanchi and Liyang in southern Kiangsu to create a 'special area' there. The ultimate objective was to set up a base in the triangular Nanking-Shanghai-Hanchow area.

The first step was to send political workers, officers and armed soldiers to the five above mentioned districts in southern Kiangsu. The purpose of these men was to pave the ground for the arrival of the main body of the new fourth army when it would be in a position to defy orders and to absorb other Chinese units in the second guerilla area. The plan was to repeat what it had perpetrated at Huangchinao in northern Kiangsu some time ago, when it attacked another Chinese force, while the final objective was to expand in the direction of the Tai lake region and western Chikiang, the arrested officer said.

While making their demand for five hundred thousand dollars as 'moving expenses' and another five hundred thousand as 'ammunition fee' the new fourth army collected its main force at Kingsian and Panchaing.

When the order came for the new fourth army to move

across

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

-4- GMW 28, January 18, 4 p.m., from Chungking via N. R.

across the Yangtze in southern Anhwei, Yeh Ting and his men were disappointed. Still, they hoped to get the money they had asked for. Then on the pretext of the Japanese naval blockade, they decided not to move as ordered, but to penetrate into southern Kiangsu.

Having heard of the arrival of the 40th Division between Sanchi and Langchiaoche on the afternoon of New Years Day the new fourth army took it as the only possible chance to attack the division. On January three, the decision to attack was reached, and the following day, its bulk moved toward Maolin, where it split into three columns.

The plan was to destroy the 40th Division first, while the left column was engaging the 108th Division at Tingwang-tain and Panchiao. Meanwhile, it was planned for the central column and right wing to launch a joint attack on Hulosze, Chailu and Tunnean, southwest of Ningkuo, to raid military stores there for army blankets, food and ammunition.

This, according to plan, would be followed by an assault on General Shang Kwan Yun-Hsiang's headquarters. Later, the left wing was to advance toward Langhei and Liyang where, in conjunction with other units in southern Kiangsu, it was to attack General Leng Hsun's troops and other units around Lanchi, near the Kiangsu border.

According

DECLASSIFIED: E.O. 11652, 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- GMW 28, January 18, 4 p.m., from Chungking via N. R.

According to the arrested officer, when such a situation had been created, the new fourth army leaders thought they could coerce the Central Government into accepting their demands.

The speedy liquidation of the crisis, according to the Military Council spokesman, was largely due to the fact that many officers in the new fourth army decided not to side with the rebels but to join the loyal Government troops."

Sent to the Department, repeated to Peiping.

JOHNSON

CSB

1021
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Blustein NARS, Date 12-18-75

GMW

TELEGRAM RECEIVED

Peiping via N. R.

COMED WENT TO
-OHL AND MLD
4/22/41 REK

Dated January 21, 1941

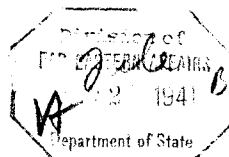
Rec'd. 10:24 a.m., Jan. 21st.

Secretary of State,

Washington.

SUBSTANCE COMMUNICATED ORALLY

TO OHL AND MLD 4/22/41 TD
32, January 21, 1 p.m.



Peiping's 501 December 3, 2 p.m. and previous concern-
ing terrorism at Peiping.

17-14
The Japanese army here announced January 17 that two
terroists responsible for killing a Japanese officer and
wounding another November 29 were arrested; the public
statement mentioned their names and gave details of their
connections with Chungking but opinion in general remains
skeptical as to whether they were actually the culprits in
view of the difficulty of positive identification. The
Japanese officer privately admitted this difficulty soon
after the incident and when the subject was mentioned did
not deny that a scapegoat might be found.

2
The city gates were reopened simultaneously with the
above announcement and normal traffic was restored. In
view of the importance of this to Chinese merchants, thus
prior to the lunar New Year, considerable credence is
given to the report that the Chinese Chamber of Commerce

paid

DECLASSIFIED: E.O. 11652, 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- GMW 32, January 21, 1 p.m. from Peiping via N. R.

paid 200,000 local dollars to the Japanese army to have
the gates opened.

Their restrictions caused considerable delay
to Americans
but no serious incidents were reported.

Sent to the Department, repeated to Chungking and
Shanghai, by air mail to Tokyo.

SMYTH

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

TELEGRAM RECEIVED

EH

PLAIN

FROM Chungking via N. R.

Dated January 21, 1941

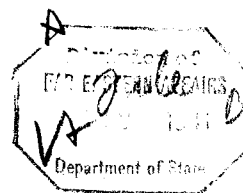
Rec'd 9:10 p.m.

Secretary of State,
 Washington.

COPIES SENT TO
 O.M. AND M.I.D.
 1/24/41 RSK

38, January 21, 5 p.m.

My 27, January 18, 4 p.m.



Following extract in translation from an editorial
 appearing in today's TA KUNG PAO (Independent) is trans-
 mitted as of interest in relation to subject matter of
 telegram under reference:

"It is very unfortunate that this incident has
 happened. So far as military discipline and orders are
 concerned, the action taken by the Generalissimo's head-
 quarters ought not to be criticized. We can only express
 our views from the standpoint of civilians in regard to
 the matter.

By a thorough study of the principles of the construc-
 tion of a modern nation and a recollection of China's
 painful experience, we realize the importance of the cre-
 ation of a national army. The creation of a national army
 must be uniform in organization, in military orders and in
 objectives, failing which the army can absolutely not fight
 especially

7924-
 246
 1-2-41

FILED
 JAN 24 1941
 AMERICAN
 CONSUL

757-111/10400
 10/11

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

EH -2- 38, January 21, 5 p.m. from Chungking.

especially against the troops of another nation or nations. This is an established rule but in the past we often failed. Since the first year of the Republic, China has been in a separated state--political opposition, military confusion, and continued civil war. Under such a state of affairs, so called rights of national self defense could in no way exist. Although we have repeatedly suffered foreign aggression, we have not been able to exercise our rights of self-defense because we have not had a unified national army or a centralized armed force. The creation of an army at Whampoo marked the beginning of a centralized armed force; and General Chiang in leading the Nationalist Army on the northern expedition put China's unification in an infant shape. In 1928, after the struggle for unification, the national commanding authority was not yet actually established and there were still civil wars. At that time, the Chinese Communist Party in Kiangsi called itself Soviet Republic and there was a so called Peoples Government in Fukien. The tendency was that China would be separated. How could we resist Japanese aggression following the September 18 (1931) incident? While we were confronted with grave foreign aggression, civil wars in several parts of the country were in progress. This

was

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

EH -3- 38, January 21, 5 p.m. from Chungking.

was very dangerous. Fortunately for China, the only centralized armed force under the leadership of General Chiang, having overcome all sorts of difficulties, had succeeded in causing the communist party to abolish the feudal system after the Sian incident which occurred in the winter of 1936. The communist troops were then reorganized into a Nationalist Army. The military orders were thus unified, the highest commanding authority actually established, and the nation was in a unified form. We must remember that this form of unification was produced through over twenty years of civil war during which numberless persons sacrificed their lives. We must also remember that without this unified form, we are fundamentally not qualified to fight the present self defensive war. The highest commanding authority which was so difficult to obtain must be resolutely supported by the entire nation. We must not permit our nation which has already been unified to be separated again. To support unification and to oppose separation is the conscience of the entire people and is an absolute requisite for our armed resistance and national reconstruction. Especially in the face of a strong enemy and when the enemy has been gradually weakening and our victory is approaching

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

EH -4- 38, January 21, 5 p.m. from Chungking.

approaching we the entire people of China naturally oppose acts which injure the nation and which are overshadowed by the views of any political party.

In the eyes of law, the system of military orders must not be impaired and military discipline must be strictly maintained. Politically, justice and peace are the two elements to be observed. What the Chinese Communist Party did in the Sian incident conformed to the public interest of the nation. We are confident that it will continue to abide by the principles of 'the country first' and 'the people first'. Under these principles, the political opinions of any party may be too radical owing to its eagerness to have things adjusted. This is not only excusable, but also worthy of respect. The government should only make efforts to improve its efficiency so as to satisfy the peoples hopes. The Kuomintang, especially, should put into effect the great teaching of the late Doctor Sun-'the world is for the people'-by making the political system clear, wise and just. To comment on the new fourth army incident from a political point of view, the characteristic feature of this army is originally a little different. It participated in the fighting program of the National

Army

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

ZH -5- 38, January 21, 5 p.m. from Chungking.

Army after the outbreak of war. Although we need not request the government to accord this army any special treatment, we do hope that the Generalissimo's headquarters will handle it carefully. Besides the adjustment of military discipline, no personal feeling should be mixed in the matter. We earnestly hope that Yeh Ting will be treated in a generous way and we still earnestly hope that the central authorities will very carefully handle the matter, to see that no innocent persons are involved and that no further entanglements are caused".

Sent to the Department, repeated to Peiping.

JOHNSON

NPL

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

793.94

CROSS-REFERENCE FILE

NOTE

SUBJECT

Sino-Japanese hostilities: In connection with -,
reports there were no important developments in
the military situation around Swatow during
November.

793.94/16460

For the original paper from which reference is taken

See #73
(Despatch, telegram, instruction, letter, etc.)

Dated Dec. 6, 1940 From Swatow (Fornes)
To

File No. 893.00 P. R. Swatow/156

16460

DECLASSIFIED: E.O. 11652, 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 New fourth army were surrounded and attacked on
 January 6 by Central Government military units.
 Chinese Communist chief staff officer in
 Chungking informs that --; and action taken by
 Chiang Kai-Shek.

rr

For the original paper from which reference is taken

See Tel. #23, 11 a.m.
 (Despatch, telegram, instruction, letter, etc.)

Dated Jan. 16, 1941 From China (Chungking) Johnson
 To

File No. 893.00/14627

750.34/16461

16461

DECLASSIFIED: E.O. 11652, 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

793.94.

CROSS-REFERENCE FILE

NOTE

SUBJECT

Internal situation resulting from arrest of
 Yeh Ting and the Fourth Route Army.

Report concerning -.

mn

793.94 / 16462

For the original paper from which reference is taken

See Tel # 23, 4 p.m.
 (Despatch, telegram, instruction, letter, etc.)

Dated Jan. 20, 1941 From | Hong Kong (Southard)
 To |

File No. 893.00/ 14629

16462

DECLASSIFIED: E.O. 11652, 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.

States General Itagaki is still trying to find an approach to General Chiang Kai Shek and has indicated his readiness to meet General Chiang Kai Shek at any designated place, even in free China. General Itagaki is ready to consider seriously the abandonment of the "new order."

FLH

703.24/16463

For the original paper from which reference is taken

See Tel # 33 3 PM
(Despatch, telegram, instruction, letter, etc.)

Dated Jan. 21, 1941 From China(Smyth)
To

File No. 711.94/1924

16463

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

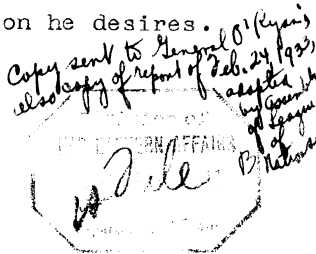
DEPARTMENT OF STATE
 THE UNDER SECRETARY

January 13, 1941

~~RE~~ - Mr. Hamilton:

Unless you see some
 objection, please send
 General O'Ryan the
 publication he desires.

U:SW:IJ



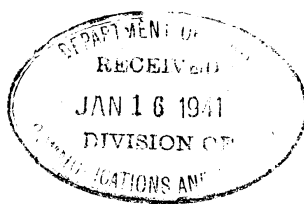
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

LOUCKS, O'RYAN & CULLEN
 COUNSELLORS AT LAW
 120 BROADWAY
 NEW YORK, N. Y.

RECTOR 2-9794

WM. DEWEY LOUCKS
 JOHN F. O'RYAN
 WILLIAM J. CULLEN
 L. LAURENCE LISS

January 9, 1941



Hon. Sumner Welles
 Under Secretary of State
 State Department
 Washington, D. C.

My dear Mr. Secretary:

If convenient, will you have mailed to me a copy of the Litton Report covering the invasion of Manchuria by the Japanese.

Kind regards.

Sincerely yours

John F. O'Ryan
 JOHN F. O'RYAN

JFC'R:FHR

793.94/16464

FILED

JAN 27 1941

PS/VH

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

January 14, 1941

My dear General O'Ryan:

Mr. Welles has asked me to forward to you, pursuant to the request contained in your letter of January 9, a copy of the Lytton Report.

A copy of the report is accordingly being sent you under separate cover, together with a copy of the report adopted on February 24, 1933, by the Assembly of the League of Nations.

Sincerely yours,

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

Major General John F. O'Ryan,
 120 Broadway,
 New York, New York.

✓
 1-14
 JAN 14 1941 PM
 JAN 15 1941 PM
 JAN 16 1941
 FE:MMH:HES/HNS

MMH
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 776

A true copy of

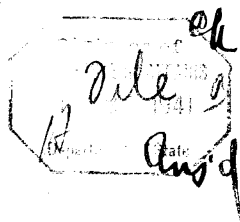
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793.94/16464

PS/VH

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

January 31, 1941



1220 W. Nicolet ^{Banning}
 Parkside ^{Calif}
 Dear Sir: I am very
 anxious to obtain the
 full text of Ambassa-
 dor Satow's telegram
 to Japan, saying to
 go ahead in China. "The
 Administration might do
 it if it dared, but peace
 at any price senti-
 ments are too strong
 in Congress and among
 the people." An article
 in the Statespost about
 3 years ago contained
 a reference to it. Can
 you trace this inci-
 dent? I wish to use
 it to combat isolation-
 ist & anti-Adminis-
 tration propaganda, and a

FEB 4 1941

111

1036

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

JANUARY 31 1941

In reply refer to
FE 793.94/16465

My dear Mr. Dufur:

The receipt is acknowledged of your recent communication in which you refer to a telegram said to have been sent to the Japanese Government by Mr. Saito when he was Japanese Ambassador in Washington, and request that you be supplied with a copy of the full text of the telegram.

The Department is not supplied with the texts of telegrams sent by the heads of foreign missions in Washington to their respective governments and it regrets that it is unable to suggest where you could obtain the text of the telegram to which you refer.

Sincerely yours,

For the Secretary of State:

M. M. Hamilton
Maxwell M. Hamilton
Chief

Division of Far Eastern Affairs

Mr. T. B. Dufur,

1220 West Nicolet Street,

Banning, California.

egc
FE:EGC:FRE
1-29

FE

A true copy of
the signed orig.
1-29

FW 793.94/16465

ps/gc

DECLASSIFIED: E.O. 11652, 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

GLW

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

Chungking via N. R.

FROM

Dated January 24, 1941

COPIES IN PARAPHRASE

SENT TO C.N.I. AND

M.I.D. IN CONFIDENCE

Secretary of State, 1/24/41

Rec'd. 12:20 p.m.

Tel. to Chungking, and let 2.5.41

Washington.

FEB 8

1941

Department of State

41, January 24, Noon.

One. The following resume of in China in 1940,

together with comment on the outlook for 1941, is transmitted
 as of possible reference value:

Two. With Sino-Japanese hostilities stalemated as they
 continued into their fourth year, external developments and
 their probable repercussions assumed a position of paramount
 importance. In a fluid international situation the capitulation
 of France, the conclusion of the Tripartite Pact and
 the subsequent action of the United States and Great Britain
 in granting assistance to China were the high lights of this
 year. The fall of France exercised a profound effect on
 the Far East, for it enabled Japan to assume control of
 Tongking and dominate the governing authority of Indochina,
 force Great Britain to adopt restrictive traffic measures
 on the Burma Road, and whet ambitions looking to the control
 of "greater" East Asia. (END SECTION ONE).

JOHNSON

CSB

793.94/16466

SECTIONS 1, 2, 3, 4, AND 5

LOC

DECLASSIFIED: E.O. 11652, 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

GMW

This telegram must be _____ Chungking & N. R.
 closely paraphrased before being communicated
 to anyone. (br)

FROM Dated January 24, 1941

Rec'd. 12:15 p.m.

Secretary of State,
 Washington.

41, January 24, Noon. (SECTION TWO).

Moreover, the upsetting of the balance of power in Europe and the possibility of the defeat of Great Britain created uncertainty in relation to the Far Eastern policy of the two great remaining neutral powers, the United States and Soviet Russia, which had consistently manifested an attitude of sympathy toward China. Deprived of two major avenues of communication with the outside world and by no means certain of sustained assistance from friendly powers, the plight of China appeared desperate. Though some leaders counseled closer Sino-German relations and even a compromise with Japan and besides the uncertainty of aid from the democracies, the majority led by General Chiang Kai-shek elected continued resistance to peace on Japanese terms. Having taken this decision, Chinese leaders were reassured by the German failure to vanquish Great Britain, the increasing estrangement of the United States and Japan, and the continuation of a helpful Russian policy. (END SECTION TWO).

JOHNSON

TFV

1 0 3 5

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

TELEGRAM RECEIVED

KD This telegram must be _____ including via N.R.
closely paraphrased be- Dated January 24, 1941
fore being communicated
to anyone. (br) FROM Rec'd. 12:25 p.m.

Secretary of State,
Washington.

41, January 24, noon (SECTION THREE)

Further, there were indications that Japan was embarking on a policy of southward expansion which would tend to deflect Japanese strength from the China campaign and increase the possibility of foreign involvement. China welcomed the American retreat from isolation as reflected by the growing policy of support of Great Britain but hoped that America would adopt a like policy toward China in relation to a similar situation in the Far East. Subsequently the adhesion of Japan to the Axis powers of Europe was regarded as having clarified an uncertain international situation, as having resulted in the establishment of two opposing world camps. It was felt that the pact had redounded to the benefit of China, that China had gained two effective supporters in the United States and Great Britain (the latter after a long period of temporizing with Japan) while Japan had antagonized these powers

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

-2- #41, January 24, noon, from Chungking via N.R.

and possibly Soviet Russia in exchange for a pledge of
doubtful value from Germany and Italy. (END SECTION THREE)

JOHNSON..

CSE

DECLASSIFIED: E.O. 11652, 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

GMW

This telegram must be _____ Chungking via N. R.
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 to anyone. (br)

FROM Dated January 24, 1941

Rec'd. 12:08 p.m.

Secretary of State,
 Washington.

41, January 24, Noon. (SECTION FOUR).

Chinese expectations were sharpened by the withdrawal of Americans from the Far East, the imposition of further restrictions on American exports to Japan, the grant of substantial American credits to China, the removal of transportation restrictions on the Burma Road, the provision of additional British financial support to China and full understanding and attitude of Soviet Russia. Meanwhile China ignored a German suggestion to make peace with Japan and join the Axis.

Three. There were persistent reports throughout the year of peace negotiations between China and Japan. These reports could not be confirmed, however, and it seemed unlikely that negotiations of a formal and concrete nature were even considered notwithstanding repeated Japanese endeavors to get in (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. Hueston NARS, Date 12-18-75

TELEGRAM RECEIVED

GMW

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

FROM Chungking & N. R.
 Dated January 24, 1941
 Rec'd. 1:20 p.m.

Secretary of State,
 Washington.

41, January 24, Noon. (SECTION FIVE)

touch with leaders of the Chinese Government. Meanwhile the Japanese, possibly foreseeing the refusal of the Chinese Government to come to terms, created a puppet regime under Wang Ching Wei at Nanking on March 30. Following prolonged negotiations Japan on November 30 took steps to recognize its creation, wringing from the latter a treaty not only reflecting the desire of Japan to retain the spoils of the China campaign but also manifesting an anti-Communist policy which apparently did not go unnoticed by Soviet Russia. It appeared that the people of China were not impressed with the terms of the treaty, with this expose of Japanese aims in China; and Japanese recognition of the Wang Regime had no effect markedly inimical to the Chinese Government. In fact the Japanese action was not followed by a similar action on the part of its Axis partners while the United States Great Britain and Soviet Russia openly indicated disapproval. (End Section Five)

JOHNSON

DDM

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

JR

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

TELEGRAM RECEIVED

Chungking via N. R.

Dated January 24, 1941

FROM

Rec'd 11:17 a.m., 25th.

Secretary of State,

Washington.

41, January 24, noon. (SECTION SIX)

Four. As in 1939 there were no large scale military
 operations such as those which marked the fall of
 Hsuehchow and Hankow in 1938. On the whole the Japanese who
 found it necessary to maintain from thirty to thirty-five
 divisions of troops in China throughout the year in
 order to secure the areas already occupied appeared
 content to launch occasional sorties which apparently was
 designed in the main to relieve Chinese pressure. In
 February the Japanese frustrated a determined Chinese
 counter offensive in Kwangsi. In May and June a Japanese
 offensive in North Hupeh and South Honan was repulsed
 with heavy losses; but the Japanese were able to occupy
 Shasi and Ichang with only slight resistance. Commencing
 October 28 the Japanese withdrew completely from Kwangsi.
 China continued to maintain large forces of regular troops
 and guerrillas in the occupied areas whose main mission it
 was to prevent the Japanese and their puppet organizations
 from controlling the hinterland to sabotage communications
 and to contain large bodies of Japanese troops. (END
 SECTION SIX).

JOHNSON

CSB

F.W. 793.94/16466

PS/JI

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

JR

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Chungking via N. R.

Dated January 24, 1941

Rec'd 9:50 a.m., 25th.

TELEGRAM RECEIVED

FROM

Secretary of State,
 Washington.

41, January 24, noon. (SECTION SEVEN)

As a consequence the Japanese made virtually no progress in pacifying the occupied provinces excepting in certain areas of Hopeh. Japanese land operations were complemented by a stringent naval blockade of the coast from north of Shanghai to Hainan Island restrictions on the movement of goods to and from the unoccupied areas and intensive and widespread bombardment from the air of the unoccupied provinces. From August onward new and superior Japanese aircraft drove Chinese aerial activities from the skies. The Chinese were handicapped throughout the year in their military operations owing to a paucity of modern aircraft and mechanized equipment including light artillery. The military situation remained stalemated at the year end the Japanese being unwilling or unable to penetrate farther into the interior where poor communications and poor terrain would render operations vastly more difficult and China too unprepared and ill-equipped to launch a general counter attack.

(END SECTION SEVEN)

CSB

JOHNSON

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

TELEGRAM RECEIVED

JR

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

Chungking via N. R.

Dated January 24, 1941

Rec'd 11:11 a.m., 25th.

Secretary of State,

Washington.

41, January 24, noon. (SECTION EIGHT)

Five. The internal situation was dominated by the unfavorable development of relations between the National Government and the Chinese Communists who continued to maintain virtually a separate government at Yenoh Shensi and two independent armies, one in Shensi Hopoh Shantung and Chahar and the other in the lower Yangtze area. In January and February there were clashes in Shensi and Hopoh resulting in the dispersal of organs of the National Government and in August a severe battle occurred between forces of the two groups in Shantung. In July Communist units moved into North Kiangsu leading to a series of serious clashes in the early part of October with forces of the Government. Meanwhile in June negotiations were started to compose the divergent aims of the opposing factions the Communists demanding freedom of assembly, speech and publication, mass mobilization of the people, demarcation of the Shensi border

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2- #41, January 24, noon (SECTION EIGHT) from Chungking.

border district; expansion of the Communist military
forces and designation of the areas in which military
forces were to operate. (END SECTION EIGHT)

JOHNSON

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

TELEGRAM RECEIVED

KD

This telegram must be
 closely paraphrased be-
 fore being communicated ^{FROM}
 to anyone. (br)

Chungking via N.R.

Dated January 24, 1941

Rec'd. 7:15 a.m., 27th

Secretary of State,
 Washington.

41, January 24, noon (SECTION NINE)

Discussion of these terms continued throughout the summer with the Kuomintang insisting that the question of party affairs be discussed after promulgation of the constitution that a special administrative district be created in North Shensi, that the Communist military forces be concentrated in North China and that the Communist military units be expanded to a certain recognized strength on the understanding that they fully comply with the instructions of the high command. The Communists appeared dissatisfied with the terms offered by the Kuomintang and adopted a policy of procrastination. Following the occurrence of the incident in North Kiangsu the National Government renewed its pressure on (*) for the removal to the Communist of the Yellow River of all Communist ^{military forces.} At the end of the year renounced communists had commenced to move

the

Corrected 1/27/41
 H.E. P.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2- 41, January 24, noon, from Chungking via N.R.

the new fourth army northward under a time limit expiring on January 31, 1941. The growing rift between the Kuomintang and the Government on the one side and renounced Communists on the other appeared to involve the fundamental problem of political supremacy and governmental control of China. In short the governing authorities fearing the continued growth of Communist military and political power felt compelled take steps to curb it. Government pressure was increased near the year end to accomplish this purpose. (END SECTION NINE)

JOHNSON.

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 Department of State letter, August 10, 1972
 By Milton D. Quisenberry NARS, Date 12-18-75

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KD

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 fore being communicated
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Chungking via N.R.

Dated January 24, 1941

FROM

Rec'd. 7:35 a.m., 28th

Secretary of State,
 Washington.

41, January 24, noon. (SECTION TEN)

Six. At the Seventh Plenary Session of the
 Central Executive and Central Supervisory Committees
 of the Kuomintang held in Chungking in July a
 resolution was passed to convene the People's
 National Congress in November. However, this
 resolution was subsequently rescinded and it is
 now proposed to hold the Congress after the
 cessation of hostilities. A decision was made
 to enlarge the membership and powers of the People's
 Political Council, a public body with consultative
 and advisory powers. The six year program of opium
 suppression was officially concluded on December 31
 and the functions of the Opium Suppression Commission
 transferred to the Ministry of the Interior.
 Observers were of the opinion that the eradication of
 opium in the unoccupied provinces had largely been
 achieved in marked contrast to the flourishing
 statement

FW 793.94/16466

PS/MN

TW
 793.94/16466

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2- 41, January 24, noon, from Chungking via N.R.

statement of the drug traffic in marked areas.

(END SECTION TEN)

JOHNSON.

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 Department of State letter, August 10, 1972
 By Milton D. Huston NARS, Date 12-18-75

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GMW

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FROM Dated January 24, 1941

Rec'd. 6:41 a.m. Jan. 28th

Secretary of State,
 Washington.

41, January 24, Noon. (SECTION ELEVEN).

Seven. The situation at Shanghai progressively deteriorated. Terrorism was rampant. The Japanese failed to obtain control of the Shanghai Municipal Council in the spring elections. The Shanghai land records were handed over to the Japanese controlled municipality in July. Friction arose between the United States and Japan in conjunction with the detention of certain Japanese marines on July 7 and with the disposition of two defense sectors from which British troops had been withdrawn in August. The Chinese courts in the French Concession were handed over to the Japanese controlled Nanking Regime on November 8 notwithstanding the vigorous protest of the Chinese Government. An agreement was reached in June in regard to the disposition of Chinese owned silver held in the concessions in Tientsin, following which the Japanese barriers were removed. (END SECTION ELEVEN)

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Department of State letter, August 10, 1972
By Milton O. Johnston NARS, Date 12-18-75

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JA
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Chungking via N. R.
Dated January 24, 1941
Rec'd 8:45 a.m., 29th.

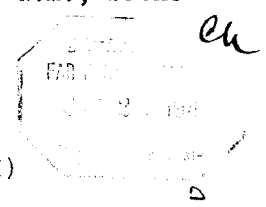
Secretary of State,
Washington.

41, January 24, noon. (SECTION TWELVE)

Eight. Owing to the strain of three and one-half
years of devastating conflict bringing in its train
destruction of production facilities, dislocation of trade,
commerce and industry, inflation and a reduced
standard of living, economic conditions began to deteriorate
seriously in 1940. The purchasing power of the national
dollar and of the Japanese sponsored note issues virtually
declined in direct ratio to the emission of new notes
which were used to finance governmental operations. About
midyear prices began to soar reaching unprecedented
heights toward the end of the year. Speculation in and
hoarding of commodities became rampant but were subsequently
checked to some degree by drastic official measures.
The exchange of goods between the unoccupied and occupied
areas was hampered as a result of the institution by
the Chinese and Japanese authorities of mutual blockade
practices.

KLP

JOHNSON



F.W. 793.94/16466

RE / JI

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JM

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CHUNGKING VIA N. R.

Dated January 24, 1941

Rec'd 9:44 a.m., 28th

en

Secretary of State,
 Washington.

41, January 24, noon. (SECTION THIRTEEN)

The acute shortage of consumer goods in the un-
 occupied areas became more marked after the closure
 of the Indochina route and Japanese aerial bombardment
 of Chinese factories. There was a further expansion of
 industry in the western provinces. Production of the
 Chinese industrial cooperatives increased materially.
 Construction of railways and highways progressed
 especially in the western provinces. Foreign trade
 declined owing chiefly to the disruption of communica-
 tions and blockade activities. Generally speaking crops
 were fair to good in the unoccupied areas and less
 satisfactory in Japanese controlled areas. Overseas
 remittances continued on a large scale. The exchange
 value of the national dollar weakened in the early part
 of the year but subsequently strengthened as a result of
 European political developments and remained relatively
 steady

FW 793.94/16466

PS/GC

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

JM-2-January 24, noon. No. 41, Section Thirteen to
Chungking.

steady throughout the latter part of the year.

Announcement in December of protected American and
British credits tended to offset the effects of Japanese
recognition of the Nanking Regime and

(END OF SECTION THIRTEEN)

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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JR

FROM

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Chungking via N. R.

Dated January 24, 1941

Rec'd 3.40 a.m., 29th.

Secretary of State,
 Washington.

41, January 24, noon. (SECTION FOURTEEN)

The setting up of a Japanese controlled Central Reserve Bank. The Japanese followed a policy of stripping the occupied areas of various commodities such as rice, coal, cotton, silk, et cetera, in order to supply their own requirements and augment their holdings of foreign exchange, thus forcing the importation from abroad of certain commodities to meet Chinese domestic requirements. Japanese interference with American and other third power trading to the Chinese was progressively intensified in the occupied areas and such trade was virtually at a standstill by the end of the year. The Yangtze River remained closed to third power commerce and the opening of the Pearl River was rendered nugatory as a consequence of the imposition of restrictions. Trade, commerce and industry remained at a virtual standstill in the Japanese occupied areas, apart from Shanghai and Tientsin. (END OF SECTION FOURTEEN)

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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HSM _____ Chungking via N. R.
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 cated to anyone. (Br.) Rec'd 10:11 a. m., 31st

A

Secretary of State,
 Washington.

41, January 24, noon. (SECTION FIFTEEN)

Nine. The year 1941 was ushered in at Chungking on a wave of unprecedented optimism notwithstanding the uncertainties of the future and a realization of the many difficulties yet to be overcome. This optimism was predicated on the conviction that China had come to be inseparably linked with the so-called democratic powers in a world-wide struggle against aggression and that China would receive increasingly effective support from those powers. China was cheered also by Japan's increasing difficulties—internal troubles, growing estrangement of relations with the United States and Great Britain and inability to woo Soviet Russia and failure to liquidate the "China incident" or even make progress in pacifying the occupied areas of China. The feeling was general that the future destiny of the Far East would be largely contingent on the outcome of the struggle in Europe.

JOHNSON

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F.W. 793.94/16466

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 By Milton D. Gustafson NARS, Date 12-18-75

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DELIVERED via N. R.

Dated January 24, 1941

FROM Rec'd 9:58 a.m., 31st

Secretary of State,

Washington.

41, January 24, noon. (SECTION SIXTEEN)

With the consistent foreign policy of cooperation with the United States and Great Britain apparently approaching concrete realization, China may be expected to continue to resist Japanese aggression with all the forces at its command. Apparently lacking the requisite resources or power to counterattack and drive the entrenched Japanese army from China at this time, Chinese intentions may be expected to continue along the lines of the past two years, that is, a policy of attrition. China would seem capable of prolonging the struggle pending the outcome of perhaps more momentous developments elsewhere which may exercise a decisive influence on the Sino-Japanese conflict. By and large China's capacity to conduct prolonged hostilities appears to be affected by two principal internal considerations: (1) the financial and

(END SECTION SIXTEEN)

JOHNSON.

TFV

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 By Milton D. Quisenberry NARS, Date 12-18-75

TELEGRAM RECEIVED

HSM

This telegram must be
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 cated to anyone. (Br.)

Chungking via N. R.

Dated January 24, 1941

Rec'd 10:33 a. m., 31st

Secretary of State,
 Washington.

41, January 24, noon (SECTION SEVENTEEN)
 economic problem and (2) the question of internal unity.
 China is, of course, confronted with economic diffi-
 culties of a very serious character and these may
 worsen in the course of time but if China can be
 assured of timely external financial assistance
 and cooperation and if suitable domestic measures
 can be devised and enforced to stem the forces of
 inflation it would appear that the collapse and dis-
 integration of China's economic structure is neither
 necessarily imminent nor inevitable. While far from
 satisfactory relations between the Central authorities
 and the Chinese Communists can scarcely be regarded as
 incapable of adjustment. A vital common aim and the
 knowledge that internal strife would perhaps prove
 fatal to the accomplishment of that aim suggest that
 the "united front" can and will be preserved in the
 face of Japanese aggression. (END OF MESSAGE)

Sent to the Department. Repeated to Peiping.

Peiping please mail code text to Tokyo.

JOHNSON

TFV

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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CONFIDENTIAL

ConfidentialPARAPHRASE

A telegram (no. 41) of January 24, 1941, from the American Ambassador at Chungking reads substantially as follows:

A resume of events in China during 1940 and comment in regard to the outlook for the year 1941 follows:

The conflict between Japan and China being stated as it goes on into its fourth year, external developments and the repercussions which they are likely to have become of paramount importance. France's capitulation, the conclusion of the pact between Germany, Italy and Japan, and the later action of Great Britain and the United States in assisting China were the high lights of 1940 in a changing international situation. The Far East was deeply affected by France's fall because it made possible the assumption by Japan of control of Tongking and the domination by Japan of the governing authority of Indochina. It also enabled Japan to force the British Government to restrict traffic on the Burma road and to sharpen ambitions having for their object the control of greater east Asia. Uncertainty in regard to the policy of the United States and the Soviet Union, the two great powers still remaining neutral which had consistently shown

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shown an attitude of sympathy toward China, was also created by the overturning of the balance of power in Europe and the possibility that Great Britain might be defeated. China's plight seemed to be desperate as she was not at all certain that she would continue to receive assistance from friendly powers and as she was deprived of two principal roads of communication with the outside world. The majority in the Chinese Government, led by the Generalissimo, chose to keep up resistance rather than to make peace on Japan's terms although aid from the democracies was uncertain and although some leaders advised closer relations between Germany and China and even a compromise with Japan. The Chinese leaders having made this decision to continue resistance to Japan were reassured by Germany's failure to conquer Great Britain, the continuation of a helpful policy on the part of the Soviet Union and the growing estrangement of Japan and the United States. There were signs also that the Japanese Government was setting out on a policy of expansion toward the south which would increase the possibility of foreign involvement and have a tendency to divert Japan's strength from the campaign in China. Although China was glad to see the American Government retreat from its policy of isolation as reflected by the increasing support

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support given Great Britain, it was hopeful that the Government of the United States would take similar steps toward aiding China in connection with a similar situation in the Far East. Later, it was considered that an uncertain international situation had been cleared up by Japan's adhesion to Germany and Italy -- the establishment of two opposing world camps having resulted therefrom. The feeling was that China had benefited from the tripartite pact, that while Japan had antagonized Great Britain and the United States and perhaps the Soviet Union in exchange for a pledge from Germany and Italy which was of doubtful value China had gained two effective supporters -- Great Britain, which had been temporizing Japan for a long time, and the United States. The imposition of additional restrictions on exports from the United States to Japan, the withdrawal of American citizens from the Far East, the removal of restrictions on traffic on the Burma road, the grant to China of substantial American credits, the supplying to China of further financial support by the British, and the full understanding of the Soviet Union and the attitude of that Government sharpened the expectations of the Chinese. The Chinese Government, in the meantime, paid no attention to a suggestion made by Germany to make peace with Japan and to join the Axis powers. Throughout the year 1940 reports of

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of peace negotiations between Japan and China persisted. However, it was impossible to confirm these reports and it appeared improbable that, in spite of repeated attempts by the Japanese to make contact with the leaders of the Chinese Government, formal and concrete negotiations were even considered. On March 30, 1940, a puppet government with Wang Ching-wei at the head was set up at Nanking as the Japanese possibly foresaw that the Chinese would refuse to come to terms. On November 30, 1940, after lengthy negotiations, Japan took steps to recognize the puppet government, forcing from it a treaty which not only reflected Japan's wish to keep the spoils of the campaign in China but also revealed an anti-Communist policy which Soviet Russia did not fail to note. The terms of the treaty -- this expose of Japan's aims in China -- apparently did not impress the people of China and no effect noticeably inimical to the Chinese Government resulted from Japan's recognition of the government headed by Wang Ching-wei. Japan's Axis partners, Germany and Italy, did not in fact follow Japan's lead and recognize the Wang government while open disapproval was indicated by the United States, Great Britain and the Soviet Union.

The year 1940 was similar to 1939 in the absence of military engagements on a large scale such as those of 1938

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1938, which took place in connection with the fall of Hankow and Haichow. It seemed in general that the Japanese, who discovered that, in order to hold the regions already occupied, it would be necessary to keep from thirty to thirty-five divisions of soldiers in China during the entire year, were content to make occasional sorties which seemingly were intended principally to relieve pressure from the Chinese. A determined counteroffensive by the Chinese in Kwangsi Province was frustrated by the Japanese in February 1940. An offensive by the Japanese in southern Honan and northern Hupeh Provinces was beaten back with heavy losses in May and June of 1940. However, only slight resistance was encountered by the Japanese in occupying Ichang and Shasi. Japanese troops were all withdrawn from Kwangsi Province, beginning with October 28 last. Large forces of guerrillas and regular troops were kept on in the occupied area by the Chinese. The chief business of these regular troops and guerrillas was to occupy the attention of large numbers of Japanese soldiers, to interfere with communications, and to keep the Japanese and the organizations set up by them from having control of the Chinese hinterland. As a result of this action on the part of the Chinese the Japanese made practically no progress

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progress toward pacifying the provinces which they had occupied with the exception of certain parts of Hopeh Province. The operations carried on by the Japanese on land were complemented by wide-spread and intensive air bombardment of the unoccupied provinces, restrictions on the movement of goods between the unoccupied areas, and a strict naval blockade of the Chinese coast from north of Shanghai to the Island of Hainan. Chinese aerial activities were driven from the skies by superior Japanese airplanes beginning in and after August. A scarcity of light artillery and other mechanized equipment and modern airplanes handicapped the Chinese in their military operations during 1940. As China was too ill equipped and too unprepared to begin a general counterattack and the Japanese were unable or unwilling to go farther into the interior of China where operations would be made much more difficult on account of poor terrain and poor communications, the military situation was still stalemated at the end of last year.

The unfavorable growth of relations between Chinese Communists and the Chungking Government was a dominating factor in the internal situation. The Chinese Communists maintained what amounted to a separate government at Yen-an in Shensi Province and two independent armies, one in the
 area

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area of the lower Yangtze and one in Shensi, Hopoh, Shantung and Chahar Provinces. There were clashes in Hopoh and Shensi Provinces in January and February of 1940 as a result of which the organs of the Chungking Government were dispersed. A severe battle took place in August in Shantung Province between forces of the two groups. Early in October last a series of serious clashes took place between Chungking Government forces and Communist units as a result of the movement of these units into north Kiangsu Province in July. Negotiations were begun in the meantime in June, having for their object the reconciling of the divergent aims of the opposing factions. Demands made by the Communists included demarcation of the Shensi border district, mass mobilization of the people, expansion of the military forces of the Communists, naming of the areas in which military forces were to operate, and freedom of speech, publication and assembly. Throughout the summer of 1940 these terms were discussed, the Kuomintang insisting that the Communist military units be enlarged to a certain recognized strength with the understanding that they obey entirely instructions of the high command, that the Communist military forces be concentrated in north China, that a special administrative district be set up in north Shensi,

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Shensi, and that the matter of party affairs be talked over after the constitution was promulgated. The terms offered by the Kuomintang did not seem to satisfy the Communists, who assumed a policy of delay. After the incident in north Kiangsu Province occurred, the Chungking Government again began to press Communist leaders to remove all Communist forces to the Communist-controlled area north of the Yellow River. Under a time limit expiring on January 31, 1941, the renounced Communists had begun to move the New Fourth Army northward at the end of 1940. The basic problem of governmental control and political supremacy of China seemed to be involved in the growing disagreement between the renounced Communists on one hand and the Kuomintang and the Government on the other hand. As the Government authorities in Chungking were fearful of the continued growth of Communist political and military power they felt that they must take steps to curb such power and toward the end of 1940 in order to accomplish this purpose Government pressure was increased.

A resolution to convene the People's National Congress in November 1940 was passed at Chungking in July at the Seventh Plenary Session of the Central Executive and Central Supervisory Committees of the Kuomintang.

Later,

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Later, however, the resolution was rescinded and there is a proposal now to hold the People's National Congress after the hostilities are over. The People's Political Council, a public body having advisory and consultative powers, is to be enlarged as to powers and membership, according to a decision which has been made. The functions of the Opium Suppression Commission have been placed under the Ministry of the Interior and on December 31 last there was officially concluded a six-year program of opium suppression. It was the opinion of observers that very great progress had been made in eradicating opium in the unoccupied provinces. This was in noticeable contrast to the flourishing statement in regard to traffic in opium in marked areas.

Terrorism was prevalent in Shanghai where the situation deteriorated progressively. In the spring elections the Japanese were unable to obtain control of the Shanghai Municipal Council. In July land records of Shanghai were given over to the Japanese-controlled municipality. In connection with the detention on July 7 of certain Japanese marines and in connection with the disposition of two defense sectors in Shanghai from which the British had withdrawn their troops in August, there arose a clash between Japan and the United States. In spite

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spite of a vigorous protest from the Chungking Government the Chinese courts in the French Concession at Shanghai were handed over on November 8 to the Japanese-controlled Wang Ching-wei regime. The Japanese barriers in Tientsin were removed after an agreement was arrived at in June concerning the disposition of silver held in the concessions there and owned by the Chinese.

In 1940 economic conditions in China began seriously to deteriorate as a result of the strain incident to the devastating hostilities of three and one-half years' duration, bringing in their wake dislocation of trade, industry and commerce, destruction of production facilities, a reduced standard of living and inflation. Practically in direct ratio to the issuance of new notes used to finance governmental operations there was a decline in the purchasing power of the note issues sponsored by the Japanese and the purchasing power of the national dollar. Toward the end of 1940 prices, which began to skyrocket about the middle of the year, reached unprecedented heights. Although hoarding of and speculation in commodities became prevalent, drastic official measures later checked the speculation and hoarding to some extent. Owing to the institution of mutual blockade practices by the Japanese and Chinese authorities, the exchange of commodities between the occupied and unoccupied territories

was

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was impeded.

After aerial bombardment of Chinese factories by the Japanese and the closing of the Indochina route, the acute shortage in the unoccupied territories of consumer goods became more noticeable. There was a material increase in the production of the Chinese industrial co-operatives and in the western provinces industry expanded further. Especially in the western provinces progress was made in the building of highways and railways. Mainly due to blockade activities and disruption of communications there was a decline in foreign trade. Overseas remittances on a large scale continued. In the unoccupied territories crops were on the whole fair to good; in the territories controlled by the Japanese crops were less satisfactory. Although in the early part of 1940 there was a weakening in the exchange value of the national dollar, later the exchange value strengthened due to political developments in Europe and during the latter part of the year it remained relatively steady. The announcement, which was made in December 1940, of protected American and British credits had a tendency to counterbalance the effects of Japan's recognition of the Wang Ching-wei government and the establishment of a Central Reserve Bank controlled by the Japanese. In the occupied regions there was a progressive intensification on the

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on the part of the Japanese of interference with third power, including American, trading with the Chinese and by the end of 1940 such trade was practically at a standstill. The Japanese pursued a policy of stripping the areas under their control of cotton, rice, silk, coal and various other commodities in order to increase their holdings of foreign exchange and supply their own requirements, thus making it necessary to import certain commodities from abroad to fill domestic requirements of the Chinese. Aside from Tientsin and Shanghai commerce, industry and trade in the regions occupied by the Japanese remained practically at a standstill. The imposition of restrictions made the opening of the Pearl River useless and the Yangtze River remained closed to the commerce of third powers.

Exceptional optimism characterized the attitude of the Chinese Government at the beginning of 1941 despite the fact that the future held forth many uncertainties and that the Chinese Government was aware of the many obstacles still in China's path. The hopefulness permeating Chungking was based upon the belief that China's cause is now identified with that of the democracies in a universal fight against aggression and that aid from the other

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other democracies would be increasingly given to China. Chungking also found gratification in the growing difficulties confronting Japan: The increasing alienation of the United States and Britain, domestic troubles, frustration in her efforts to win over the Soviet Union and inability to bring the China affair to a close or even make any advance in pacifying those parts of China which she had occupied. It was felt that the final development of the war in Europe will determine the shape of things to come in East Asia.

As China's unwavering policy of cooperation with the United States and Britain appears to advance nearer to final realization, Chinese resistance to Japan, it may be anticipated, will continue at China's full strength. China will probably continue attritive resistance as she has during the past two years in as much as she apparently lacks the necessary materiel or strength to launch a counter-offensive at this time and expel the Japanese Army, which is now well established in China. While awaiting the final decision in the possibly more momentous developments outside of China (which developments may decisively influence the situation in the Far East) China will probably be able to extend her fight against Japan. Generally speaking the ability of China to maintain an extended

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extended resistance to Japan would seem to be affected by the following major domestic factors: (1) The internal economic situation; and (2) the problem of unity within China. Serious economic problems face China. They may deteriorate with the passage of time but if she can depend upon well-timed financial aid and cooperation from abroad and if appropriate internal measures can be worked out and put into force to check inflation it would seem that a debacle of Chinese economy is not necessarily impending nor is it inescapable. Granting that the relations between the Central Government and the Chinese Communist party leave much to be desired, these relations can hardly be considered as beyond adjustment. Confronted with Japan's aggression the united front will probably be maintained in the light of a common objective essential to both parties and a realization that civil conflict might well dash the hopes of a realization of that common objective.

F. W. 793.94/16466

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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AMEMBASSY,

CHUNGKING (CHINA).

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TELEGRAM SENT

Department of State

1941 Feb 8 PM 2 39

Washington,

February 5, 1941

TO BE TRANSMITTED
X CONFIDENTIAL CODE X
NONCONFIDENTIAL CODE

PARTAIR

"Br"

PLAIN

NAVAL RADIO

4 PM

31
The Department appreciates both the quality and comprehensive nature of your 41, January 24, noon, containing a resume of developments in China in 1940 together with comment on the outlook for 1941 which has been found of considerable interest and value. While comment of the nature included in your telegram under reference is most welcome at all times, the Department suggests that in the future such resumes might feasibly be forwarded to the Department by airmail, or by greatly condensed radio gram. The Department offers this comment because all sections of your telegram were not repeat not received until January 31, six days after the date of the telegram; because the Department sincerely desires to meet the wishes of the Navy Department in regard to appropriate reduction of material transmitted by naval radio; and because of the considerable amount of code work involved not only in offices in the field but also in the Department whose code facilities have for long been overtaxed.

Sent to Chungking. Repeated to Peiping.

Enciphered by

Sent by operator

FE:GA:HNS

1-1402 U. S. GOVERNMENT PRINTING OFFICE

FE

793.94/16466

P-AGC

1074

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

R
W.C.

TELEGRAM RECEIVED

JI

This telegram must be closely paraphrased before being communicated to any one. (A)

FROM

Kunming via N.R. & Chungking

Dated January 26, 1941

Rec'd 4:48 a.m., 27th

COMMUNICATED ORALLY

1/29/41 3D

Secretary of State

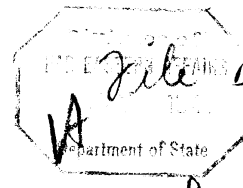
Washington

IN PARAPHRASE
SENT TO TREASURY
IN CONFIDENCE

1/31/41

REK

January 26, 4 p.m.



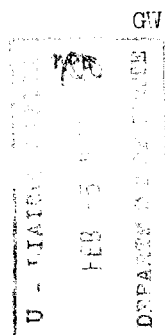
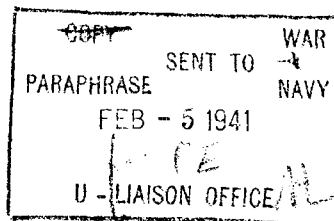
It is reliably reported that the remaining automobile bridge at the Mekong River was seriously damaged in the January 23rd attack, all the cables on one side being cut. Chinese sources estimate two weeks as necessary for repairs.

793.94
812.1541

It is understood that General Ho Ying Chin has left for Mengtaz to investigate southeastern defense arrangements. Persistent reports state that large numbers of Central Government troops are being sent into Kunming".

Sent to the Department; repeated to Peiping.

JOHNSON



793.94/16467

PS/JI

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

(CONFIDENTIAL)

CONFIDENTIAL

PARAPHRASE

A telegram dated January 26, 1941, from the American Embassy at Chungking repeating a message from the American Consulate at Kunming reads substantially as follows:

According to trustworthy sources the remaining bridge across the Mekong River which will carry automobiles was, on January 23, badly damaged by a Japanese aerial attack. It is said that all cables on one side of the bridge have been severed. It is estimated by Chinese informants that repairs cannot be completed before the end of two weeks.

The Chinese Chief of Staff, General Ho, is said to have departed for Mengtze for an investigation of Chinese defense arrangements in southeastern Yunnan. Reports are heard on many sides that there are being sent into Yunnan many Central Government troops.

793.94/16467

^{JD}
FE:ED:MHE
1/31/41

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Qualen NARS, Date 12-18-75

(CONFIDENTIAL)

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1077

DECLASSIFIED: E.O. 11652, 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

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

(CONFIDENTIAL)

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1075
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Justesen NARS, Date 12-18-75

American



Youth Congress

WASHINGTON, D.C. OFFICE
907 FIFTEENTH STREET N.W.

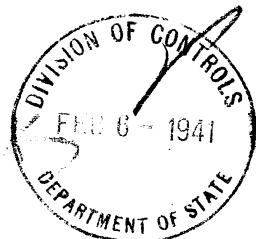
1941 JAN 22 11 7 48

250 FIFTH AVENUE • NEW YORK
MURRAY HILL 6-9140

DIVISION OF
COMMUNICATIONS
AND RECORDS

Ch
File
ack'd
February 1, 1941
January 20, 1941

Secretary of State Cordell Hull
State Department
Washington, D.C.



Dear Secretary Hull,

The Cabinet meeting of the American Youth Congress, held this Saturday, asked me to communicate with you our grave concern over rumored pressure on the Chinese Government to force a condition of disunity.

We Americans know very well that "in unity there is strength." The Chinese people have learned this lesson, and although their country was recently torn by civil war, they have united to check Japan's invasion.

China's victory is in our interest. The United States must do everything possible to assure that victory: extend greater aid to China, cease shipment of all war supplies to Japan. But if - as hinted by such authoritative sources as Edgar Snow (Herald Tribune, Jan. 7) - our aid to China is being made contingent on the Central Government's fighting the communist armies (and it is reported that this is already taking place) - then we are negating that aid. The Japanese aggression can only be stopped if China remains united, and if we help China without attaching any strings to that help.

We sincerely hope that increased and genuine aid to China will become the policy of the United States Government.

Yours sincerely,

Joseph Cadden,
Executive Secretary.

Jack McMichael, Chairman
Harriet I. Pickens, Treasurer
Joseph Cadden, Executive Sec.

Frances M. Williams,
Administrative Sec.
Abbott Simon, Organizational Sec.
Myrtle Powell, Recording Sec.

James B. Carey, U.E.R.M.W.A.
Naomi Ellison, National Industrial
Girls Council, YWCA
Gerald Harris, Jr., Alabama
Farmers Union
Mary Jeanne McKay, National
Student Federation of A.

VICE CHAIRMEN

J. Carroll Morris, Christian Youth
Council of N. A.
Ruth Shields, Natl. Intercollegiate
Christian Council
Edward E. Strong, Southern Negro
Youth Congress

793.94/16468

PS/VH

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

February 1, 1941

In reply refer to
 FE 793.94/16468

My dear Mr. Cadden:

The Secretary of State has asked me to acknowledge the receipt of your letter of January 20, 1941 in regard to matters relating to the situation in the Far East, and to assure you that the contents of your letter have been carefully noted and that your courtesy in bringing the views of the American Youth Congress to our attention is very much appreciated.

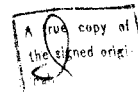
Sincerely yours,

M. H.
 Maxwell M. Hamilton
 Chief
 Division of Far Eastern Affairs

Mr. Joseph Cadden,
 Executive Secretary,
 American Youth Congress,
 230 Fifth Avenue,
 New York, New York.

SOC
 FE:EDC:MHP GA FE
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1/27
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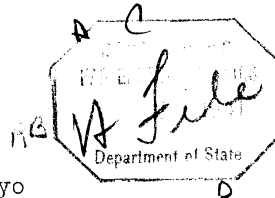


FL. W. 793.94/16468

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

FROM



EH
 This telegram must be
 closely paraphrased be-
 fore being communicated
 to anyone. (br)

Tokyo

Dated January 29, 1941

Rec'd 11:50 p.m.

TO ONE AND ALL 1/29/41 3D
 Secretary of State,

Washington.

136, January 29, 11 a.m.

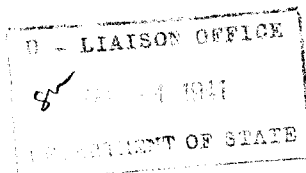
Following from the American Consul at Dairen.

"January 28, 3 p.m.

During the past few days between five and ten
 thousand Japanese troops, apparently proceeding from
 wharves to entrainment have been marched conspicuously
 through Dairen in frequent small detachments while about
 2000 have passed in the opposite direction. (Important
 movements customarily are made at night with entrainment
 at the wharves) Department not informed. Chase".

GREW

NK



FILED
 FEB 8 1941

PS/GC

793.94/16469

1082

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

PLAIN

Nanking via N. R.

FROM

Dated January 29, 1941

Rec'd 8:40 a.m.

Secretary of State, COPIES SENT TO
Washington. D.N.I. AND M.I.D.

25, January 29, 2 p.m.

Prior to his departure for Japan January 28 "ambassador"
Chu Min Yi according to the local Chinese press issued
the following statement of his aims:

One. To implement the sino-Japanese agreements.

Two. To bring about fundamental harmony between
the two nations.

Three. To propagate the administrative program,
political policy and peace principles of the new regime.

Four. To cooperate with the axis powers and to
maintain friendly relations with Great Britain and the
United States.

The fourth point was expanded in the press report of
Chu's statement to refer to stabilization of the world
order and to stress that though the axis powers were
China's chief friends Great Britain and the United States
were not necessarily enemies in spite of the fact that they
had obstructed complete peace by assistance to Chungking
but could be won over by sincerity to an understanding of
the

733.94/16470

PSAB

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701.9394

1941 JAN 31 1941

DECLASSIFIED: E.O. 11652, 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- #25, January 29, 2 p.m., from Nanking.

the true gaining of the peace movement. Chu further is said to have denied advocacy of interfeignism and to have stated that all matters will be settled by legitimate means.

Sent to the Department, repeated to Chungking, Peiping and Shanghai, by mail to Tokyo.

PAXTON

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 14, 1941.

~~W.A.~~
~~M.M.~~

Reference Amoy's 8,
February 11, 6 p.m. In the
light of this message it would
seem that action by the Depart-
ment is not yet required.

Correction of the garble
and omission in the message has
been requested of the code room.

793.94/16471

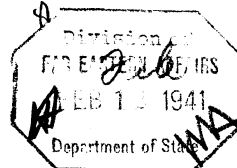
64

FE:Atcheson:OJL

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Quisenberry NARS, Date 12-18-75

TELEGRAM RECEIVED

FROM



MMM

GRAY

Amoy via N. R.

Dated February 11, 1941

Rec'd 2:25 p.m.

Secretary of State,
 Washington.

8, February 11, 6 p.m.

Peiping's February 10 noon; and the Department's 29,
 February 8, 2 p.m.

It appears hopeful that the Japanese Minister will
 "temporarily" withdraw his demand and as a consequence
 the councilors (*) their resignations.

Sent to the Department, repeated to Peiping and
 Chungking.

MERRELL

WWC

(*) omission

FILED
 FEB 12 1941

795.94/16471

PS/EC

DECLASSIFIED: E.O. 11652, 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

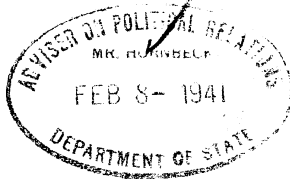
~~REB~~
~~JMS~~
~~CC~~
~~WBI~~

MTH

PA/H

The attached letter from
Mr. Garside encloses a mimeograph-
ed copy of a letter from Dr. J.L.
Stuart, the interesting portions
of which have been marked.

TO
FE:Davies



DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

學大京燕

YENCHING UNIVERSITY

PEIPING, CHINA

American Office
 150 Fifth Avenue
 New York, N. Y.

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 MARGARET B. SPEER, *Dean, Women's College*
 STEPHEN I. O. TS'AI, *Controller*
 MARY COOKINGHAM, *Field Treasurer*

January 28, 1941

Mr. Maxwell M. Hamilton
 Division of Far Eastern Affairs
 Department of State
 Washington, D. C.

My dear Mr. Hamilton,

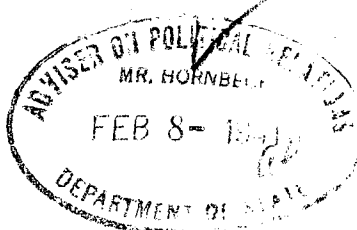
We enclose herewith for the information of yourself
 and your colleagues in the State Department a copy of another
 interesting letter from Dr. Stuart under date of December 16,
 1940.

Very sincerely yours,



Secretary

BAG:MS
 Enclosure



FILED
 FEB 10 1941

PS/VH

793.94/16471

February 1, 1941

RECEIVED
 DEPARTMENT OF STATE

154 JUN 22 PM 2 46

RB
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 FEB 10 1941

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

Confidential

December 16, 1940

To the Board of Trustees:

In one of the ancient classics of China, the Tao Te Ching, there is a sentence, "No calamity is greater than the underestimation of your enemy." I have often had this in mind during these years of anxious suspense when the fate of this University and all that it represents were dependent upon the outcome of the struggle between Japanese armed aggression and the forces resisting it. My hopes have been based chiefly on the spirit of the Chinese leaders and their popular support, the rightness of their cause, and assistance from other freedom-loving countries, especially our own, rather than upon material or military factors, in most of which from long preparation her enemy has had an enormous advantage.

It may be pertinent, however, to report to you some of the signs of internal weakness within Japan which are beginning to be more apparent and should have some bearing on the trend of events. I shall not comment on those of an economic nature, which are serious but are doubtless being brought to your attention through other sources.

There is increasingly sharp division of opinion among Japanese leaders which may in time have a disruptive effect. That between the Army and Navy is well-known and is more acute than ever over foreign policy in general. But there are factional differences within the army of occupation in China. General Itagaki, resident in Nanking, leads the so-called Reform Party which is now dominant and is attempting to claim credit for ending the "China Affair". He is chiefly responsible for establishing the Wang Ching-wei puppet device and really hoped through it to force an agreement with Chiang Kai-shek with whom he has more recently been trying to get into direct contact. He would then discard Wang without the slightest compunction. Meanwhile the much more moderate Control Party, now powerless, is waiting for the frustration of Itagaki's schemes in order to regain authority. These rivalries are deflecting all concerned from the "pure" devotion to Emperor and Nation which have characterized their military leaders in the past. They are settling down now to exploiting their respective territorial seizures, with every form of graft and of vicious racketeering, quite in the tradition of the worst of the old Chinese war-lords, but with the aid of mechanized force and more brutally callous. Wang Ching-wei and his following, aware now that any hopes of glory from having achieved a peaceful settlement are fatuous, are making similar use of their power under Japanese protection and no longer want the ending of the war, for that means the loss of their share of the profitable racket as well as danger to their lives. It is not a pretty picture.

In Japan itself, Prince Konoye attempted his New Structure on totalitarian models in order to include the fighting services along with all other elements and thus bring these under control. But the army especially refuses to be thus throttled and is resisting the scheme. The secretary who worked out the details, a certain Arima, was recently wounded in an attempt on his life, because the fascist extremists regarded the organization as based on Communist principles. There is wide-spread dissatisfaction with the present Cabinet, but even those who feel this most hesitate to overthrow it as the Diet is about to open. Individual Ministers are therefore being attacked.

The case of Mr. Matsuoka is a somewhat pathetic instance. He is relatively liberal and with his American background has really tried to modify the more obviously militant plans for further aggression, but has had 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

To the Yenching
 Board of Trustees

2.

December 16, 1940

guard against offending the all-powerful military clique. At the Imperial Conference on November thirteenth he succeeded in gaining assent for direct official negotiations with Chiang Kai-shek which he felt to be quite an achievement. He at once sent the chief of the East Asia Division of his own Ministry to Hongkong where he was joined by two other Japanese diplomats and three Chinese reluctantly pressed into service. These latter tried to open the way to Chungking but failed completely, as any one who knew General Chiang's attitude could have confidently predicted. Mr. Matsuoka is reported to be quite disconsolate. Immediately following this fiasco, the Wang Ching-wei "government" was recognized by Japan and the terms of the agreement published. The recognition was made, despite the obvious hindrance this would be to any further hopes of reaching Chiang Kai-shek, because after deferring this since March they had promised Wang not to delay again beyond November 30. The terms are conclusive evidence of the Japanese lack of intention to permit any real Chinese independence and virtually to annex North China. If any explanation is required as to General Chiang's refusal to treat with any Japanese this disclosure of their aims is sufficient. Returning to Mr. Matsuoka, he is being attacked as not sufficiently pro-Nazi, as opposing the southward drive, as too pro-England-and-America, while Walter Lippman seems to be voicing American indignation over his latest pronouncement. Nothing could more vividly dramatize the conflicting currents within Japan, as they try to extricate themselves without loss of prestige and plunder from their indefensible adventure in China and from the consequences of their badly miscalculated gamble in joining with the Axis powers and in thus arousing Great Britain and the United States more positively and unitedly against them.

They have been trying hard to come to an understanding with Soviet Russia, in order to be freed from this threat against Manchuria, before beginning their southward expansion. Three months ago they planned to send a military mission to Berlin to secure Hitler's assistance in bringing sufficient pressure. But not daring to have the delegation travel via either the Mediterranean or North America, and failing to secure permission to make the journey across Siberia the project has been abandoned. They were thus cleverly foiled by the Soviets who probably have no illusions as to the Japanese attitude toward themselves. Russia will apparently maintain her consistent policy of avoiding all alliances or attacks, while allowing others to fight one another and to seek her favor. She will continue to aid China with military supplies.

The appointment of Admiral Nomura as Ambassador to Washington was partly because of his past friendly relationships with our country, partly his technical qualifications for securing much desired naval information. If after several months he fails to alter American policy - or in their own phrasing to enable Americans to "understand" their aims - the extremists will insist on going ahead toward Singapore and the Dutch East Indies regardless of our interference. If they do, conflict between the two countries would seem inevitable.

Most of what has been reported in the preceding paragraphs has come to me from Chinese who are in the confidence of Japanese military leaders and is therefore authentic. This very fact is itself another evidence of internal weakness, for these men - by no means unprincipled traitors, but defeatists, opportunists, most of them educated in Japan and with long personal ties there - are more or less disgusted with a Japanese savagery in war which they would never have expected, and are awakening to the possibility that Japan may not win after all.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

To the Yenching
Board of Trustees

3.

December 16, 1940

The liberal element in Japan, to which I have made reference in previous communications, is still struggling earnestly but against heavy odds. If you read of a cabinet change with Ugaki as Premier you may assume that it has at least temporarily won.

This narrative may seem to be gloating over Japanese misfortunes. If so, it is only because of the vastly greater misfortunes they have brought unprovoked and purely for their own self aggrandisement upon the Chinese people. Over two weeks ago a Japanese officer was killed while riding on horseback in the city and a second one wounded. Since then the whole city has been in constant turmoil and the gates have been guarded so that entrance and exit have been with great difficulty, ostensibly in order that they might search for the assassin. Evidence is accumulating that the deed was instigated by the officer's subordinates who resented his attempts to stop the traffic in narcotics in which most of them are concerned. In any case the entire population has been put to indescribable inconvenience and large numbers have suffered serious hardships because one Japanese officer has been killed -- most probably by another. Our university work has been seriously deranged, and we have daily problems affecting emergency medical cases, teachers or students caught in the city, etc., to say nothing of minor annoyances. An added reason for the present restrictions is supposed to be the mutiny of two or three thousand Chinese soldiers recruited by them who killed a number of Japanese officers and men in making good their escape, carrying off also what equipment they could. This happened about the same time as the assassination, and has helped to make the local Japanese extremely jittery.

I describe this episode from which we are now suffering because it is an epitome of what is happening all over China. It gives an indication of the sullen hatred they are provoking by the ineptitude of their dealings with the local population everywhere, their total lack of consideration for any rights or interests other than their own, the frustration which attends alike their military and political attempts to subjugate this nation and the misery resulting from their stupidly brutal tactics. A few days ago a gate-man of ours was seized on his way home by the neighboring Japanese gendarmerie, probably because of a grudge against him by some Chinese who had turned informer. He was tortured by allowing a German police dog to bite his legs, which are said to be badly lacerated. I had my competent young secretary for dealing with Japanese affairs tell two of the gendarmes who called on him today that I was horrified at such inhumane treatment of a fellow-man and regarded it as an affront to our whole institution. He had the courage to deliver the message and they promised to report it to their superior and make an inquiry. Incidentally the two gendarmes were here to follow up an offer they had made earlier to help our students caught in the city to resume their studies. The real reason came out today when they asked Mr. Hsiao (the secretary referred to) to give them a list of our students living in the city and their home addresses, ostensibly to facilitate their movements, but actually no doubt to trail them and gain a hold over them or their families for some nefarious purpose in the future. These things are happening around us all the time and wherever else they penetrate in China.

As to University policy, it would seem that if the Japanese extremists, further stimulated by Nazi insistence, force their Government into the southward drive, this will occur before you read these pages. In this event we shall have to meet the changed situation as best we can. But it is far more probable that the saner elements will argue for a delay of several months while Nomura is given his chance to win America over to inaction. Meanwhile his failure to do so, developments in Europe unfavorable to themselves, strengthening Chinese resistance, and aggravated internal troubles will very probably combine to make them less inclined next spring to so dangerous a venture. We can be making our plans in the light of all such trends, and shall carry on in the hope that we may not in the end be interrupted.

1091

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

February 1, 1941

In reply refer to
FE 793.94/16471

My dear Mr. Garside:

Thank you very much for your letter dated January 28 enclosing a mimeographed copy of a letter from Dr. Stuart dated December 16, 1940.

Sincerely yours,

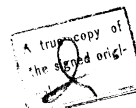
M. H.
Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs

F. W. 793.94/16471

Mr. B. A. Garside,
Secretary and Assistant Treasurer,
Yenching University,
150 Fifth Avenue,
New York, New York.

JD
FE:JD:MHP
1/31/41

67
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

DIVISION OF FOREIGN
 SERVICE ADMINISTRATION

678 - 2 1941

TELEGRAM RECEIVED

DEPARTMENT OF STATE

HSM

Kunming via Chungking & N.R.

This telegram must be
 closely paraphrased **FROM**
 before being communi-
 cated to anyone. (Br.)

Dated January 30, 1941

Rec'd 9:47 a. m., 31st

Secretary of State,
 Washington.

January 30, 9 a. m.

Center of Kunming along Chengli streets and around
 the Confucian Temple was indiscriminately bombed
 yesterday by nine heavy planes, with considerable
 demolition of shops. Eight dive bombers attacked
 the northern section of the city north and west of
 the small lake, bombs falling over a wide area with
 no objective apparent. One bomb dropping at the edge
 of the lake not over 200 yards from this office shook
 the Consulate buildings severely, rocks, dirt and bomb
 fragments being thrown into the compound. Windows
 were blown open, objects toppled and the living room
 door frame shaken so as to necessitate repairs.

Press reports about 30 dead, 50 wounded and 600
 chien of buildings destroyed. Six pursuit planes also
 flew to the west of Kunming with no report of points
 attacked.

Sent to the Department, Peiping, Shanghai, Hankow.
 Peiping. ~~repat~~ to Tokyo.

CSB

JOHNSON

793.94/16472

FILED

LOC

Telegram
 to Tokyo

1941

m D

file

LA

125.99121

193.14

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

JM

TELEGRAM RECEIVED

GRAY

AMOY VIA N. R.

Dated January 30, 1941

FROM

Rec'd 2:30 p.m., 31st

TO GEN. AND MR. 7/11/41 TD
Secretary of State,

Washington.

6, January 30, 4 p.m.

My telegram No. 2 January 18 noon.

The victim is out of danger. That the would-be assassin, who may be a member of a Chinese military suicide squad, escaped in a sampan to the mainland immediately after the attack.

Without consulting his consular colleagues and before replying to a request from Hitchcock, British chairman of the Municipal Council for a conference Ishikawa the new Japanese Consul General sent a letter to the chairman on January 20 proposing four "requests" for action to be taken by the Council. Three of these which were regarding traffic to and from the International Settlement might have proved acceptable but the fourth "the immediate appointment of six Japanese sergeants in the Council's police" appeared out of the question to the British American and Dutch members of the Council. In discussing the Council's budget the two remaining members (Japanese)

733.94/15473

PS/GC

FILED

FEB 13 1941

7/12/41
9/13/42
Kushinaga

100

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

JM-2-January 30, 4 p.m. No. 6, from Amoy.

(Japanese) refused to consider any items until provision has been made for the sergeants.

After thinking it over the three non-Japanese members, fearing from previous experience that if the demand were not met the restrictions then still in force would develop into a complete blockade, decided to resign.

When asked by Ishikawa the reasons for the resignation Hitchcock replied that the three members had no faith that an increase in the Japanese unit would prevent incidents; that on the contrary experience had shown that every increase was followed by an incident; and that the previous Consul General had given his verbal promise at the time the agreement was signed in October 1939 that if incidents occurred thereafter no more demands would be made. Ishikawa said that he could not be held to an oral pledge of his predecessor and that the demand would not be withdrawn.

Not having heard further from Ishikawa the Consuls ✓ members in fact submitted their resignations on January 23 to the Senior Consul (British) and the latter reported to his Embassy that he would follow the precedent of 1920 when the Consular body was authorized by the Senior Ministers telegram of August 13 (decanat No. 33) "to temporarily carry on functions of Council especially as

regards

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

JM-3-January 30, 4 p.m. No. 6, from Amoy.

regards necessary financial matters as payment of tariffs
et cetera and control police". (END SECTION ONE)

MERRELL.

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

TELEGRAM RECEIVED

HSM _____ Amoy via N. R.
 This telegram must be
 closely paraphrased
 before being communi- **FROM** Dated January 30, 1941
 cated to anyone. (Br.) Rec'd 9:41 a. m., 31st

Secretary of State,
 Washington.

6 January 30, 4 p. m. (SECTION TWO)

In view of several subsequent favorable indications including the lifting of traffic restrictions and Ishikawa's apparent real desire that the members withdraw their resignations I have refrained from reporting the above by telegraph in the hope that through the persuasion of the Consuls the demand might momentarily be withdrawn, the Consular Body take ^{take} over actively the functions of the Council until additional members sufficient for a quorum can be found and elected.

Sent to the Department. Repeated to Peiping, Chungking and Tokyo. The Consulate's telegram No. 2 has also been repeated to Tokyo. (END OF MESSAGE)

MERRELL

TFV

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED
 CORRECTED COPY

PAT

This telegram must be
 closely paraphrased be- **FROM**
 fore being communicated
 to anyone. (Br)

AMOY VIA N.R.

Dated January 30, 1941

Rec'd 9:41 a.m. Jan. 31.

Secretary of State

Washington

6 January 30, 4 p.m. (SECTION TWO)

In view of several subsequent favorable indications including the lifting of traffic restrictions and Ishikawa's apparent real desire that the members withdraw their resignations I have refrained from reporting the above by telegraph in the hope that through the persuasion of the Consuls the demand might momentarily be withdrawn. It now appears, however, that the Senior Consul may have to accept the resignations and the Consular Body take over actively the functions of the Council until additional members sufficient for a quorum can be found and elected.

Sent to the Department. Repeated to Peiping, Chungking and Tokyo. The Consulate's telegram No. 2 has also been repeated to Tokyo. (END OF MESSAGE)

NERRELL

TFV

F.W. 793.94/16473

FILED

PS/Ji

FW
 793.94/16473

FEB 15 1941

1098

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

PREPARING OFFICE
 WILL INDICATE WHETHER
 Collect (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
 XNONCONFIDENTIAL CODEX
 PARTAIR
 PLAIN
 "GRAY"

1941 Feb 8 PM 1 05 Washington,
 February 8, 1941.

AMEMBASSY,

PEIPING (CHINA) VIA NAVAL RADIO.

29

Amoy's 6, January 30, 4 p.m.

While the telegram under reference was received/
 slightly garbled it is the Department's understanding/
 that at the time of its despatch there appeared a
 good prospect of a satisfactory local adjustment./
 The Department has not repeat not received any further
 report in the matter.

The Department assumes that the Embassy is watch-
 ing the situation and that the Embassy and the Consu-
 late at Amoy will keep the Department currently in-
 formed of significant developments.

Sent to Peiping only.

793.94/16473

GA
 FE:GA:HES

VAA
 FE

FEB 8

Enciphered by _____

Sent by operator _____ M., _____, 19____

793.94/16473

PS/GC

1099

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TEL

TELEGRAM RECEIVED

KD

PLAIN

FROM

Tokyo via Shanghai &
N.R.

COPIES SENT TO
O.N.I. AND M.I.D.
2/3/41 RRR

Dated January 31, 1941

Rec'd. 8:35 a.m.,
Feb. 1

Secretary of State,
Washington.

A
File
B
JAN 31 1941
Department of State

149, January 31, 7 p.m.

Today's vernacular press quotes Foreign
Minister having stated yesterday in meeting Budget
Subcommittee for Foreign Affairs in House
Representatives that Japan did not consider pre-
sent suitable time to urge reflection upon
Chungking Government. He admitted Government's
policy toward Chiang Kai Shek has changed since
Konoye statement asserting Japan would not deal
with his Government, and expressed hope that
occasion might arise permitting attempt to re-
conciliate Chungking and Nanking Governments.
Wang Ching Wei was praised for willingness
sacrifice his life for general peace between
China, Japan and to join forces with a penitent
Chiang Kai Shek.

Sent Department via Shanghai.

GREW.

KLP

71394

793.94/16474

P

FILED
FEB 5 1941

1 1 0 0

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

KD

GRAY

FROM Hankow via N. R.

Dated January 31, 1941

Rec'd. 9 a.m., Feb. 1

Secretary of State,
Washington.

COPIES SENT TO
O.N.I. AND M.I.D.
2/3/41

793.94/16475
JUL 1941
Department of State

January 31, 2 p.m. (SECTION ONE)

Japanese spokesman states that on January 24 Japanese started offensive northward from Sinyang, Honan, in three columns, one moving up railway to Suiping, second northwestward through Miyang and third northeastward toward Juning in spite of strong Chinese resistance. There is evidence that Chinese have been steadily increasing renewed efforts on the railway from the north, and in Han River, YoYang and Nachang sectors. Inconclusive small scale operations have been continuous throughout the month, particularly in area to south of Hankow-Canton Railway between Sianning, Hupsh, and Yoyang and in the Suihsien area in northern Hupsh.

The situation in Wuhan area remains quiet other than for normal troop movements.

Sent to Chungking, repeated to the Department, Peiping and Shanghai.

SPIKER.

KLP

1101

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

FROM

JT
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (br)

HANKOW VIA N.R.

Dated January 31, 1941

Rec'd 3:52 p.m.

Secretary of State,
Washington.

January 31, 2 p.m. (SECTION TWO)

Reference first sentence of part one. While fresh
troops have been arriving from down river and moving ^{up} (5)
railway from Hankow during the past two weeks they are
believed to have been chiefly replacements and not in
sufficient strength to permit of any continuing large
scale offensive. (END OF MESSAGE)

Sent to Chungking, repeated to Department,
Peiping and Shanghai.

SPIKER

CSB

1102

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quate NARS, Date 12-18-75

TELEGRAM RECEIVED

FROM

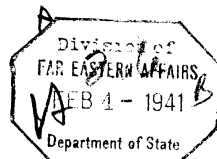
HSM

ILAIN

Nanking via N. R.

Dated February 3, 1941

Rec'd 9:55 a. m.



Secretary of State,
Washington.

34, February 3, 6 p. m.

Nanking's 9, January 10, 3 p. m.

Local Chinese press reports inauguration
February 1st of "China Association of East Asia
League" to establish a new order in East Asia, to
implement mutual respect for sovereign rights and
territories and to cooperate in political, economic,
military and cultural matters.

Wang Ching-wei was elected President of the
Association.

Sent to the Department. Repeated to Chungking,
Tientsin and Shanghai. By mail to Tokyo.

TAXTON

RR

793.94/16476

PS/FF

FILED
FEB 7 1941

110

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

12

TELEGRAM RECEIVED

EH

GRAY

FROM

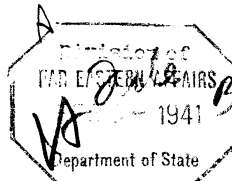
Canton via N. R.

Dated February 4, 1941

Rec'd 9:20 p.m.

COPIES SENT TO
C. M. L. M. D.
2/5/41 REK

Secretary of State,
Washington.



February 4, 5 p.m.

Reference my airmail despatch No. 114 of January 7,
1941.

The South China Expeditionary Force Headquarters has announced that a Japanese force supported by naval units effected a surprise landing on the coast of Kwangtung at a point southeast of Waichow at dawn today for the purpose of cutting an important supply route to Chungking. The landing force is stated to be advancing inland to an undisclosed place.

79394
It appears likely that the landing was made at a point on Bias Bay and the Japanese are probably advancing toward Tam(?) or Waichow through which the supply route passes.

Sent to Peiping. Repeated to the Department, Chungking, Hong Kong.

MYERS

EMB

793.94/16477

PS/FF

16477

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

19 East 37 Street, New York, N.Y.

CARL DREHER 2058 MOUND STREET - HOLLYWOOD, CALIFORNIA

February 3, 1941

RECEIVED
 Mr. Cordell Hull
 Secretary of State
 Washington, D.C.
 1941 FEB 5 PM 4 05

Division of
 FAR EASTERN AFFAIRS
 14 7 1941
 Department of State

Act'd

February 14, 1941

Dear Mr. Hull:

733.34/16878
 LHM for OF
 COMINT
 AND
 COMMINT
 February 3 contains an interview with
 Major Evans F. Carlson, which I believe should be called
 to your attention. Major Carlson, recently returned from
 China, "warns that Japan will win if civil war continues
 between Chiang and Communists," according to the headline.
 In effect Carlson goes on to say that a Japanese-influenced
 group in the Kuomintang is bent on fighting the Chinese
 Communists instead of the Japanese militarists. The same
 assertion has appeared in many other papers during the last
 few days.

If these accounts are to be credited--and to me they
 sound entirely plausible--it would seem that we are
 confronted by an increasingly serious situation. We are
 being told by responsible officials of the government that
 the United States is in grave military danger in the event
 of a British defeat. Such a defeat, in spite of the utmost
 aid we can give the British, is of course conceivable. It
 would seem, then, that we should be simultaneously exerting
 every effort to encourage resistance to Japan, Germany's
 western ally, or we may shortly be faced by hostile powers
 in either ocean. If the clash between the Chinese govern-
 ment and the Communists is extended, Chinese resistance to
 Japan will, of course, shortly be terminated.

Since we are making loans to China, presumably we
 are in a position at least to express the hope that a ruin-
 ous civil war can be averted. Carlson is quoted as saying
 that the Chinese Communists are "earnestly endeavoring to
 regenerate China according to the principles set down by
 Sun Yat Sen." Regardless of the moral worth or otherwise
 of this group, we do know that they were the first to offer
 resistance to Japanese aggression, and it is of the utmost
 importance to the United States that this resistance should
 continue and be intensified. I hope that the State Depart-
 ment will do what it can to this end.

Respectfully yours,

Carl Dreher
 Carl Dreher

772-94
 CC: Mr. Sumner Welles
 The Secretary to the President

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

February 14, 1941

In reply refer to
 FE 793.94/1647

My dear Mr. Dreher:

The Secretary of State has asked me to acknowledge the receipt of your letter of February 3, 1941 in regard to matters relating to the situation in the Far East, and to assure you that the contents of your letter have been noted with care and that the spirit which prompted you to bring your views to our attention is appreciated.

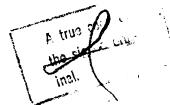
Sincerely yours,

M. H.
 Maxwell M. Hamilton
 Chief
 Division of Far Eastern Affairs

F. M. 793.94/1647

Mr. Carl Dreher,
 19 East Thirty-seventh Street,
 New York, New York.

89C.
 FE:EGC:MHP GA FE
 2/18/41



DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

RDS

TELEGRAM RECEIVED

This telegram must be closely paraphrased before being communicated to anyone. (Br.)

Dated February 6, 1941

FROM

Rec'd 9:05 p.m.

SECRETARY OF STATE
 1/7/41 TD
 Secretary of State,

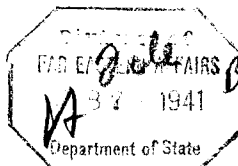
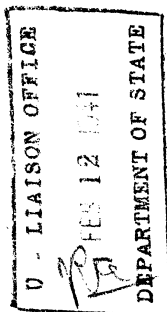
Washington.

45, February 6, 11 a.m.

Reference Canton's recent telegraphic report.

This office has now had direct information of the Japanese occupation of the Shayuchung-Waichow section of the important trade route which begins at Mirs Bay and over which there has been increasingly important traffic between Shiukwan, Chungking and Hong Kong. This military operation is the culmination of the activity reported as beginning in my 488, December 18, noon and subsequent radio reports. Troops moved from both the Howloon (~~2~~) (~~2~~) hinterland and from a Bias Bay landing.

According to reasonably reliable information important quantities of gasoline and kerosene and tires and other valuable merchandise were captured by the Japanese at depots along the route. Apparently no effort was made by the Chinese to speed up the movement or otherwise dispose of the merchandise in the interest of safety prior to the attack although it is reasonably certain that the Chinese authorities knew for many weeks in



793.94/16479

FILED
 FEB 16 1941

PS /ji

DECLASSIFIED: E.O. 11652, 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- #45, February 6, 11 a.m., from Hongkong via N.R.

in advance of this specific Japanese activity. First hand observers from whom this office has heard say that there was no Chinese resistance to the estimated 6,000 Japanese troops taking part in this *expedition*

This trade route into free China has become of primary importance and some observers consider its severance an incalculably serious blow first to Shiukwan and second to Chungking.

Sent to Department. Repeated to Canton, Chungking and Peiping for Tokyo.

SOUTHARD

EMB

Repetition requested on above garbled groups.

Corrected 12/27/41
S+R. H

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Quisenberry NARS, Date 12-18-75

TELEGRAM RECEIVED

MEM

This telegram must be closely paraphrased before being communicated to anyone. (Br)

Hong Kong via N.R.

Dated February 7, 1941

Rec'd 4:52 p.m.

Secretary of State,

Washington.

49, February 7, 4 p.m.

Reference my 45, February 6, 11 a.m.

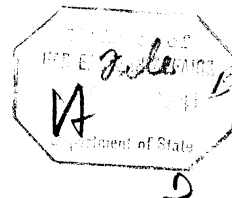
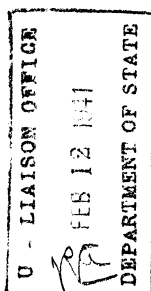
Japanese occupation of the Mils Bay trade route has so far had no (?) effects in this colony other than the temporary cessation of the regular ferry service which runs from Taipo in Kowloon territory to Shayuchung. There has been no influx of refugees over the frontier as was anticipated might happen.

Experienced observers here are much inclined to the opinion that the Japanese will evacuate the trade route area after two or three weeks of "mopping up activity". An unusual number of airplanes both from Canton and from a carrier in Bias Bay have been observed helping the troops pursue guerrilla forces.

Sent to the Department, repeated to Canton, to Chungking, and to Peiping for Tokyo.

SOUTHARD

NPL



793.94/16480

PS/GC

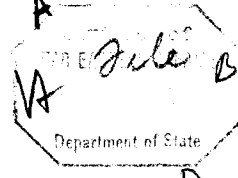
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

*no action pending 2 months
 report*

FROM

CORRECTED COPY



DFB

GRAY

FW 793.94/16481

Amoy via N.R.

Dated February 11, 1941

Rec'd 2:25 p.m.

Secretary of State,
 Washington.

8, February 11, 6 p.m.

1073

Peiping's February 10 noon; and the Department's 29,
 February 8, 2 p.m.

*FW
 793.94/16481*

It appears hopeful that the Japanese Consul General
 will "temporarily" withdraw his demand and as a conse-
 quence the councilors their resignations.

PS/FF

Sent to the Department, repeated to Peiping and
 Chungking.

MERRELL

WVC

FEB 20 1941

FILED

1 1 1 C

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 25, 1941

~~CC:~~
~~JD:~~
~~GR:~~

~~WAA:~~
~~WWS:~~

Shanghai's despatch 159, January 9, 1941, "Japanese Army Policy in China".

The despatch encloses an article from Finance and Commerce, January 1, 1941, commenting upon the following facts which are given as an indication of a moderation in Japan's attitude toward China:

The visit to Nanking of the Japanese Minister of War, Tojo, may be actuated by a desire to act as a moderating influence on the Japanese army, and to secure the army's cooperation in a more conciliatory China policy.

Nomura has been sent to Washington on a special mission and as a last-minute endeavor to avoid war in the Pacific.

General Sadao Araki, a sabre-rattling radical whose claims to cabinet rank have been pressed by the army, has not been invited to join the cabinet.

General Terauchi of the Supreme War Council, who is understood to favor a more moderate policy, has just visited central and south China and his report may support the reasonable stand of the Premier and Foreign Minister.

The above may evidence a desire

to

793.94/16482

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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-

to stop what is undoubtedly a drift
towards war.

The despatch adds; that with the
arrival in Shanghai of a new Japanese
Consul General charged with handling
economic matters, local American
business men have been approached by
the Japanese and requested to inform
the new Consul General as to how their
enterprises have been adversely
affected by Japanese control of Lower
Yangtze trade; that although it is too
late to expect any substantial freedom
of trade for third powers, individual
cases of Japanese interference with
American trade may receive more
sympathetic consideration.

793.94/16482

HT
FE:Fales:FRE

1 1 1 2

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

NO. 159

No. 1, Embassy, China.

AMERICAN CONSULATE GENERAL,
Shanghai, China, January 9, 1941.

SUBJECT: Japanese Army Policy in China.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to enclose as of possible
1/ interest to the Department a copy of an article
appearing in the January 1, 1941 issue of FINANCE
& COMMERCE under the title "Visit of Japanese War
Minister to Nanking".

It will be observed that the article in ques-
tion suggests that the recent visit of Japanese
War Minister Lieut.-General Hideki Tojo to Nanking
may possibly have been in connection with a growing
realization on the part of Japanese statesmen that
the steady accumulation of evidence that Japan is
exploiting the trade of China mainly for Japanese
benefits is resulting in the growth of an American
feeling of antagonism to the unilateral attempt to
establish a "New Order" in Asia. According to that
periodical, in local Japanese circles the visit of
the War Minister to Nanking reflects the efforts of
the Japanese statesmen to secure the Army's coopera-
tion

793 74
46
393.115
DIVISION OF
COMMERCIAL AFFAIRS
Department of State

MAR 4 1941

1-1221

147
FILE
JAN 10 1941
Department of State
Good
clubb
COPY in F.E.
O.N. = M.I.D.
OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS
MAR - 5 1941
DEPARTMENT OF STATE

793.94/16482

MAR 12 1941

FILED

PS/C

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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 -

tion in the initiation of a more conciliatory policy in China, and the article concludes that the tours in China of General Tojo and General Hisaichi Terauchi, the appointment to Nanking of Major General Yuitsu Tsuchibashi as Military Attache to the Japanese Embassy, and the designation of Admiral Nomura as Ambassador to Washington, all may be regarded as evidence of a desire to stop "what is undoubtedly a drift toward war"; however, the success of those efforts toward conciliation will depend entirely upon the attitude of the Japanese Army.

With the arrival in Shanghai of a new Japanese Consul charged with handling economic matters of the Japanese Consulate General, there has been initiated an approach to various local American business men with the request that they supply to the Japanese Consulate General information as to how their enterprises may have been adversely affected as a result of the operation of Japanese restrictions and regulations for the control of trade in the Lower Yangtze region. American business men are being advised by this Consulate General that no reason is perceived why they should not comply with the request of the Japanese authorities for information of that general nature. It would seem highly problematical whether the general program of the Japanese Army in China could be reversed or so altered at this late date as to permit again a substantial degree of freedom of trade to third

Power

1 1 1 2

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 3 -

Power interests; however, it is perhaps indicative of the problems now confronting Japanese political leaders that there should be made at this time moves which seem aimed at exploring the possibility of bettering Japanese-American relations. Incidentally it is conceivable that particular cases of Japanese interference with American trade may be given more sympathetic consideration.

Respectfully yours,

Frank P. Lockhart
Frank P. Lockhart
American Consul General

Enclosure:

- 1/ - Article appearing in January 1, 1941
issue of FINANCE & COMMERCE.

800/610.2
EC:fc

In Quintuplicate.
Copy to Embassy, Chungking.
Copy to Embassy, Peiping.
Copy to Embassy, Tokyo.

1 1 1 5

DECLASSIFIED: E.O. 11652, 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. 159, January 9, 1941,
from Frank P. Lockhart, Consul General at Shanghai, China,
on the subject: "Japanese Army Policy in China."

Article Appearing in January 1, 1941
Issue of FINANCE & COMMERCE

"VISIT OF JAPANESE WAR MINISTER TO NANKING"
Army's Influence on China Policy

The recent visit to Nanking of the Japanese Minister of War, Lieut-General Hideki Tojo, has raised some interesting speculations regarding a possible modification in the Japanese Army's policy in China. The visit is the first one which Lieut.-General Tojo has paid to China since his appointment to his present office. He was in Nanking for about three days, and conferred with General Toshizo Nishio, the Commander-in-Chief of the Japanese Expeditionary Forces, and the Chief-of-Staff, Lieut.-General Seishiro Itagaki, and had interviews with other Army officers and also with Mr. Wang Ching-wei, the head of the Nanking regime. As is well-known, the Japanese Army in China is credited with being a law unto itself and with pursuing a course which occasionally does not meet with approval in Tokyo, and the assumption is that the War Minister's visit was actuated by a desire not only to study conditions on the spot but to compose differences of opinion in order that there may be greater co-ordination of effort in bringing about a fundamental improvement in the existing situation.

There is no doubt that the steady accumulation of evidence that Japan is exploiting the trade of China mainly for her own benefit, and the growing feeling of antagonism, particularly in America, which is the result of the one-sided attempt to establish a "New Order," are causing grave concern among the leading Japanese statesmen. They recognize that something has gone so far wrong with their plans that the country is now faced with war in the Pacific or, at least, with embargoes which would kill a great part of its commerce. Admiral Nomura is being sent on a special mission to Washington in a last minute endeavor to avoid such disastrous developments and, in order that his hands may be strengthened, every endeavour is being made to secure the Army's co-operation in a more conciliatory China policy. At any rate, that is the interpretation of the War Minister's visit to Nanking which finds most favour in local Japanese circles.

Another encouraging sign is that, so far, General Baron Sadao Araki has not been invited to join the Cabinet, in spite of the fact that his claims to office have been repeatedly pressed in Army circles. He is one of the chief exponents of what in Japan is known as "Army radicalism". To use a phrase which conveys more to the English reader, he is an extremist who believes in sabre-rattling and "damning the consequences." His appointment to Cabinet rank at this particular juncture would certain mean that moderation, conciliation or any other policy which had in it a suggestion of securing good-will through compromise, had been discarded.

It

793.94/16482.

DECLASSIFIED: E.O. 11652, 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 -

It is also worth recording that General Hisaichi Terauchi, a member of the Supreme War Council, who is understood to favour a more moderate policy than that so far attempted, has just concluded an extensive tour of Central and South China, and it is hoped that his report will further support the reasonable stand which the Premier and the Foreign Minister now appear to be taking.

Also of interest is the appointment of a new military attache in the person of Major-General Yuitsu Tsuchibashi to the Japanese Embassy in Nanking. His influence should be considerable, although it is doubtful whether he will play as important a part as that attributed to Major-General S. Kagesa, who was mainly responsible for the recent Sino-Japanese Treaty. Major-General Kagesa's function in Nanking, now that the Treaty has been signed, is not clear, but it is presumed that he is remaining to act as an "adviser" to Mr. Wang Ching-wei.

These various changes, reports and visits of illustrious personages may be regarded as evidence of a desire to stop what is undoubtedly a drift towards war. Whether the efforts now being made in this connection will prove successful depends entirely upon the attitude of the Army.

Copied by FC

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

ACTION
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NAVY DEPARTMENT

NAVAL COMMUNICATION SERVICE
NAVY DEPARTMENT

RECEIVED AT ROOM 2629
FEB 11 1941
EXT. 97-197

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X MORALE AND MATERIAL JAPANESE ARMY CONTINUE EXCELLENT

Mr. Hamilton 19394

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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 C. Gustafson NARS, Date 12-18-75

ACTION

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RECEIVED AT ROOM 2629
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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
CORRECTED COPY

DES

This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (Br.)

Hankow via N. R.

FROM

Dated February 15, 1941

Rec'd 7:10 a.m.

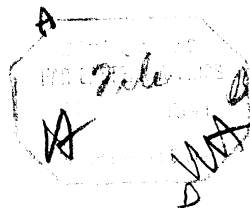
Secretary of State,
Washington.

February 15, 10 a.m.

Reference my January 31, 2 p.m., Japanese
offensive in south Honan along Peiping-Hankow Railway.

Advance reached Sip'ing then swung westward. In
cooperation with other forces from Miyang area
Japanese rapidly occupied Wuyang, Fangcheng and
Nanyang. Last named occupied February 4. Reports
indicate that within a few days Japanese in Nanyang
withdrew southeastward through Tangho and into area
between Miyang and Tungpeh, Japanese forces in
Fangcheng and Wuyang also withdrawing toward railway.

Large numbers of wounded have been arriving at
Hankow since the offensive started, the military
spokesman admitting that they number 4,200. On
February 11 he stated that the "fifteen day blitz
offensive" was nearing completion since it had
accomplished it's purpose of shattering the military
strength,



FW 793.94/16484 PS/FF

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1121

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- February 15, 10 a.m. from Hankow.

strength, morale and prestige of twenty divisions of Chungking's best forces. Yesterday Japanese spokesman stated that Honan drive had ended and that Japanese forces had returned to their original positions.

Sent to Chungking. Repeated to Department, Peiping and Shanghai.

SPIKER

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

See corrected copy,

11

TELEGRAM RECEIVED

COPIES IN PARAPHRASE
 SENT TO O.N.I. AND
 M.I.D. IN CONFIDENCE
 2/17/41 REX

FROM

HSM
 This telegram must be
 closely paraphrased
 before being communi-
 cated to anyone. (Br.)

Hankow via N. R.
 Dated February 15, 1941
 Rec'd 7:10 a. m.

TO ONE AND ALL
 2/17/41 JD

Secretary of State,
 Washington.

1A file
 Department of State
 16475

February 15, 10 a. m.

Reference my January 31, 3 p. m., Japanese
 offensive in south Honan along Peiping-Hankow Railway.

Advance reached Sip'ing then swung westward. In
 cooperation with other forces from Miyang area Japanese
 rapidly occupied Wuyang, Fangcheng and Nanyang. Last
 named occupied February 4. Reports indicate that within
 a few days Japanese in Nanyang withdrew southeastward
 through Tangho and into area between Miyang and Tungpeh,
 Japanese forces in Fangcheng and Wuyang also withdrawing
 toward railway.

Large numbers of wounded have been arriving at
 Hankow since the offensive started, the military spokes-
 man admitting that they number 4,200. On February 11
 he stated that the "fifteen day blitz offensive" (*)
 the military strength, morale and prestige of twenty
 divisions of Chungking's best forces. Yesterday

Japanese

793.94/16484

LOC

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

hsm - 2 - February 15, 10 a. m., from Hankow

Japanese spokesman stated that Honan drive had ended
and that Japanese forces had returned to their original
positions.

Sent to Chungking. Repeated to Department, Peiping
and Shanghai.

SPIKER

DDM

(*) apparent omission has been serviced

DECLASSIFIED: E.O. 11652, 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 of February 15, 1941, from the American Consul General at Hankow reads substantially as follows:

The advance of the Japanese, in connection with their offensive along the Peiping-Hankow railway in southern Honan Province, after reaching Sip'ing swung toward the west. The Japanese, cooperating with other troops from the region around Miyang, quickly occupied Wuyang, Fangcheng and, on February 4, Nanyang. There are reports to the effect that some Japanese troops in Wuyang and Fangcheng withdrew in the direction of the railway and that Japanese in Nanyang withdrew into the region between Miyang and Tungpeh and toward the southeast through Tangho. The Japanese spokesman stated on February 14 that Japanese troops had returned to the positions which they originally occupied and that the Honan drive had come to an end. Since the beginning of the offensive large numbers of wounded, admitted by the military spokesman to number 4,200, have been coming in to Hankow. The military spokesman said on February 11 that the fifteen-day "blitz offensive" (?) the prestige, morale and military strength of twenty of the best divisions of troops of the Chungking Government.

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 FE:HC:HNS
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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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DECLASSIFIED: E.O. 11652, 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

JT

This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (br)

HANKOW VIA N.R.

FROM Dated February 28, 1941

Rec'd 1:20 p.m.

3/1/41 TO
Secretary of State,
Washington.

February 28, 2 p.m. (SECTION ONE)

Reference my February 15, 10 a.m., concerning
military operations in southern Honan.

During the past two weeks large numbers of troops
(estimated as high as thirty thousand) have returned from
Honan and other fronts and departed for down-river points
together with considerable number of trucks and other
equipment. Many wounded (Japanese spokesman admits more
than 6,000) continue to arrive from northern front where
Chinese appear to have returned to areas from which they
withdrew under pressure of Japanese offensive described
in my January 31, 2 p.m. and February 15, 10 a.m. Certain
Japanese sources admit offensive was costly in Japanese
lives and materiel and not successful

SPIKER

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DEPARTMENT OF STATE

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

FROM

MM

This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (br)

Hankow via N. R.

Dated February 28, 1941

Rec'd 10:52 a.m.

Secretary of State,
Washington.

February 28, 2 p.m. (SECTION TWO)

There are persistent rumors that Japanese plan to
withdraw their forces from Central China to Hainan
Island for use in advance southward. However there is
as yet no evidence of withdrawal from Ichang and Shasi
areas which moves would precede any withdrawal from
Hankow area. The local situation remains quiet. Usual
inconclusive military activity continues at various
points in the line held by the Japanese. (END MESSAGE)

Sent to Chungking, repeated to Department, Peiping,
Shanghai.

SPIKER

CSB

1127

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

4-7

TELEGRAM RECEIVED

RDS
This telegram must be _____ Kunming via Chungking &
closely paraphrased be- N.R.
fore being communicated
to anyone. (Br.) FROM Dated February 27, 1941

Rec'd 9:15 p.m.

3/1/41 JD
Secretary of State,
Washington.

NA file
GMA

February 27, 10 a.m.

At 2:15 yesterday twentyseven Japanese bombers raided the east central business district of Kunming, making two east-west passes and dropping about 100 bombs. Demolition was particularly heavy along Hukuolu and the big east gate sector, Weiyuankai and Chengilu. The press states that over 3000 chien of buildings were destroyed, among them Chairman Lung's private residence. Casualties are said to be numerous, with an estimated 1000 dead. The raid apparently had no military objective, but in its deliberation was the severest attack to date on the civil life of the city. Leaflets were also dropped, variously urging union against Communism and pointing to Japanese-Manchurian cooperation.

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FILED

Eight light bombers at the same time raided near Anning, west of Kunming, but no details of objectives or results are available.

Sent to the Department. Repeated to Peiping.

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 Department of State letter, August 10, 1972
 By Milton C. Hueston NARS, Date 12-18-75

21

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 4, 1941

~~RE:~~
~~JMS:~~
 CA:

~~CO:~~
~~WAG:~~
~~VCH:~~

RA/H

Kunming's despatch 186, February 15,
 "Military Situation in Yunnan".

The Consul reported that General Ho Ying-chin had returned from southeastern Yunnan; that General Ho was not concerned over the possibility of a Japanese invasion of Yunnan; that he believed that such an attack would be a very difficult campaign for the Japanese and that he found a fuller degree of local cooperation than he had met on a previous visit. The authorities in Yunnan were nevertheless making further preparations for any possible Japanese invasion. Reliable reports were received that Central Government troops continued to be despatched into southeastern Yunnan and that there were about three divisions of National troops along the Yunnan-Indochina railway.

Chinese sources informed the Consul that the Chinese and British were discussing cooperation for defense should Japan attack British Far Eastern possessions. These talks apparently envisaged the use of Chinese troops in British territory as well as the use of Chinese bases by British aircraft. The British military authorities

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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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

in Burma were reported to be interested in having British or American supervision of the Burma Road in order to ensure transport of high octane gasoline for British use, in certain eventualities, should Chinese air bases be secured by them. A Chinese military mission was reported to be enroute to Burma for the purpose of discussing Chinese military cooperation with Great Britain in the event of a Japanese advance across Indochina or Siam toward northern Burma.

793.94/16488

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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

No. 186

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RECEIVED
DIVISION OF STATE
COMMERCIAL AFFAIRS
MAR 18 1941

Kunming (Kunming), China, February 18, 1941.

CONFIDENTIAL
6
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18
1941

SUBJECT: Military Situation in Yunnan. *in confidence 2/5/41 RFR*

The Honorable
The Secretary of State, Perkins
Washington.

Sir:

I have the honor to refer to my despatch no. 186 of December 27, 1940, entitled "Military Situation in Yunnan"; reference is also made to the Consulate's telegram of January 10, 2 p. m. to the Embassy, Chungking, reporting the visit to Yunnan of General Ho Ying-chin, Minister of War, and Japanese plain clothes activity in southern Yunnan.

General Ho Ying-chin returned from southeastern Yunnan a few days ago and, after spending a few days in Kunming, has left for Chungking.* During a brief conversation which I had with General Ho at a provincial government dinner a few evenings ago, he expressed his satisfaction with general military arrangements in Yunnan and did not indicate any perturbation at a possible Japanese advance into Yunnan. From two other Chinese sources who conversed more informally with General Ho it is learned that he expressed the view that an invasion of Yunnan would be an extremely difficult campaign for the Japanese to carry through successfully, particularly with the determined opposition which the Chinese intend to provide. One informant stated that General Ho had found much more local cooperation on his latest trip than on previous ones; there is every outward indication here of an identity of views on defense.

Speculation on the point of a Japanese attack on Yunnan has subsided recently, in view of apparent Japanese plans for a southward advance. However, conscription for local defense units is proceeding in the border districts; conscription of tin workers at Loehiu has been a factor in reducing the labor force at the mines. A recrudescence of highway building east and south out of Kunming is indicated in the press recently. Reliable reports of despatch of troops southward via the railway continue; among the numerous reports concerning the sending of Central Government troops into southeastern Yunnan few

agree

*Kunming's telegram to the Embassy, Chungking, February 18, 12 noon.

COMMERCIAL AFFAIRS
Department of State

DIVISION OF STATE
MAR 18 1941

703.94/16488

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FILED
MAR 20 1941

DECLASSIFIED: E.O. 11652, 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-

agree as to the number, however one usually reliable Chinese source states that about three divisions of national troops have thus far been disposed along the railway.

In as much as Chinese troop concentrations near Indochina would allow a Chinese attack on the Japanese flank should the latter push south, some measure of protection against this eventuality may be expected from the Japanese military. Guarding of the Indochina-Yunnan Railway in Tongking is likely and patrol of the Red River a possibility. The Chinese press recently reported (with no further confirmation) that Japanese forces had torn up the railway tracks from Lookay (Indochina border town) southward for a distance of five stations on the line.

Chinese-British Defense Cooperation

From Chinese sources which are non-military but which are believed to be informed, it is learned that active Chinese and British cooperation for defense in the event of a Japanese attack on British Far Eastern possessions is being discussed and plans considered for the use of Chinese troops in British territory, as well as the use of Chinese bases for British planes. A high-ranking British military official recently passed through Kunning en route to Chungking; while no information has been vouchsafed by local British officials as to the object of his journey, an American who talked with a member of the party stated that the British military authorities in Burma were interested in seeing British or American supervision of the Burma Highway instituted in order to ensure transport of high octane gasoline for British use should Chinese air bases be secured by them for the defense of Hong Kong.

A Chinese military mission, headed by General Chung Chen (former Chairman of Hopei and Honan Provinces and at present chief of the Administrative Office of the Military Affairs Commission), which includes seven high Chinese military officials, is now proceeding to Burma purportedly to return the call of the recent Burmese mission to Chungking.* It is understood that the principal object of this group's visit will be to discuss Chinese military cooperation with the British should a Japanese advance across Indochina or Siam toward northern Burma occur.

Respectfully yours,

Troy L. Perkins
 Troy L. Perkins,
 American Consul.

*Kunning's telegram to the Embassy,
 Chungking, February 18, 12 noon.

800 TLP:SLM

In quintuplicate to the Department (original by air mail).
 Copy for Embassy, Chungking.
 Copy for Embassy, Peiping.

1 1 3 2

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MMM

This telegram must be
 closely paraphrased be-
 fore being communicated **FROM**
 to anyone. (br)

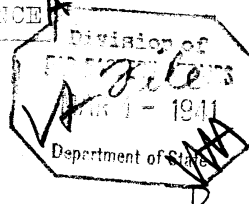
Hong Kong via N. R.

Dated March 3, 1941

Rec'd 9:35 a.m.

Secretary of State
 Washington.

COPIES 10
 SENT TO O.N.I. AND
 IN CONFERENCE
 3/6/41 RER



76, March 3, 2 p.m.

CONFIDENTIAL.

According to a confidential report which cannot be confirmed and may not be reliable but which is being transmitted for what light it may shed on such other information as the Department may have received, a radio message from one Wu Taonan (stated to be the head of the Central Government's rump civil administration on Hainan Island) was received in Hong Kong several days ago alleging the presence of two Japanese infantry divisions and one mechanized division, the total number of troops being given as about sixty thousand, with an asserted total of three hundred planes, over three hundred tanks, and eight hundred motorcycles. The informant who made these figures available stated that he had no assurance of their accuracy but that he is certain of the bona fides of the message and believes that, as the message indicates, Japanese activities on Hainan have recently increased sharply, it being stated that the transport of munitions 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 O. Gustafson NARS, Date 12-18-75

-2- 76, March 3, 2 p.m. from Hong Kong.

and war supplies is proceeding "day and night", while a considerable number--the figure given in the message is ninety--Japanese vessels are alleged to be congregated off or near Kiungchow. Previous information from foreign sources has denied the presence of German or Italian advisers, but this report affirms that several are there training cadres in special maneuvers.

Similar reports but which differ widely in detail have appeared in the last several days in the Chinese press of Hong Kong.

Sent to the Department, repeated to Chungking, Canton and Peiping for Tokyo.

SOUTHARD

WWC

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

CONFIDENTIAL

(CONFIDENTIAL)

PARAPHRASE

A confidential telegram (no. 76) dated March 3, 1941 from Hong Kong reads substantially as follows:

A report which is to be considered confidential and which may not be reliable and which cannot be confirmed, but which, however, is being submitted for the Department's use in the light of other information which may have been received, sets forth that several days ago, a radio message had been received in Hong Kong from Wu Taonan, who is said to be the head of the rump civil government maintained by the Central Government on Hainan Island, to the effect that there were on the Island a total of 60,000 Japanese troops including a mechanized division and two divisions of infantry and an alleged sum of 800 motor cycles, 300 planes, and more tanks than planes.

Although no assurance was given as to the accuracy of these figures, the person who made them available did, however, have no doubts as to the authenticity of the message which he considers indicates the marked increase in the activities of the Japanese on the Island. It is also stated that there is a night and day transmission of war supplies and munitions to the Island, and according 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

-2-

to the report, there were 90 Japanese vessels in the vicinity of Kiungohow. Earlier reports sent out by foreign sources have indicated that there were no Italian or German advisers present, but this report states that several are there instructing skeleton units in special maneuvers. Recently the Hong Kong Chinese press also carried reports of similar nature but with wide variations in detail.

1477
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3-6-41

1 1 3 F

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 3025

Peiping, China, February 4, 1941.

Subject: Conversation between Dr. J. L. Stuart
and Japanese Embassy official on Sino-
Japanese relations.

CONFIDENTIAL



A
D. L.
VMA

RECEIVED
DEPARTMENT OF STATE
1941 MAR 3 PM 2 15
OFFICE OF SINO-JAPANESE RELATIONS

In confidence 2/19/41 REK

The Honorable

The Secretary of State,
Washington, D. C.

742 14

Sir:

I have the honor to enclose as of possible interest
a copy of a memorandum prepared by Dr. J. Leighton Stuart,
President of Yenching University, of a conversation had by
him on January 29, 1941, with Counselor Tsuchida, in charge
of the Japanese Embassy in Peiping, in regard to Sino-Japa-
nese relations. The memorandum is brief and interesting.

It will be noted that Counselor Tsuchida stated that
the news of General Chiang Kai-shek's vigorous disbandment
of the Chinese 4th Route Army would produce a favorable ef-
fect in Japan as indicating an attitude to Communism similar
to

795.94/16430

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

425

- 2 -

to their own, but that Japan would continue its recognition of the Wang Ching-wei regime rather than that of General Chiang Kai-shek. It will also be noted that Dr. Stuart expressed the view that, if Japan regarded Chinese Communism as a hindrance to peace, Japan should recognize the fact that, from the standpoint of the Chungking government, the Wang Ching-wei regime was another rebellious movement, created and maintained purely by Japanese military force, and as such at least as great a hindrance to peace as Chinese Communism; Dr. Stuart added that the problem of peace or of lengthening hostilities was therefore one to be discussed in Tokyo rather than to be settled through further attempts to meet with representatives of the National Government and alter their views. At the close of the conversation Counselor Tsuchida quietly remarked that he agreed with Dr. Stuart but feared that it would be difficult to persuade his Government.

Respectfully yours,

For the Ambassador:

Robert L. Smyth

Robert L. Smyth
 First Secretary of Embassy

✓
 Enclosure:

Memorandum, as stated.

Original and 4 copies to Department.
 Copy to Embassy, Chungking.
 Copy to Embassy, Tokyo.
 Copy to Consulate General, Shanghai.

RLS/es
 710-Sino-Jap.

14 22 July

1138

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

Enclosure no. 1 to despatch no. 3025,
February 4, 1941, from Embassy, Peiping,
Conversation between Dr. J. L. Stuart
and Japanese Embassy official on Sino-
Japanese relations.

MEMO TO MR. R. L. SMYTH

On the afternoon of January 29, 1941, I met a Japanese by appointment before he was to leave for Tokyo the following morning. He asked if I had any new information concerned with efforts for peace between China and Japan which he could carry with him. He said they had reports that the Chungking Government was weakening but that that of Wang Ching-wei was growing stronger, to which I replied that such news as reached me was rather to the contrary. He then added that the news of Gen. Chiang's vigorous disbandment of the New Fourth Army would produce a favorable effect in Japan as indicating an attitude to Communism similar to their own, but that Japan would continue its recognition of the Wang Ching-wei Government rather than that of Chiang Kai-shek. To all this I replied in substance that the Japanese had been justifying their continuance of the war on the ground that it was for the suppression of Communism, but that Gen. Chiang had given one more evidence of the intention of the National Government of China to deal with this or any other rebellious or subversive elements as matters of internal policy; that if the Japanese regarded Chinese Communism as a hindrance to peace, they should recognize that from the standpoint of the Chinese government and people the Wang organization was another rebellious movement, created and maintained purely by Japanese military force, and as such at least as great a hindrance to peace; that the Chinese Government could not do otherwise than insist on its right--as it accepted the responsibility--to deal with any agency or agitation which imperiled internal order or denied its own authority; and that therefore the problem of peace or of lengthening hostilities was one to be discussed in Tokyo rather than to be settled through further attempts to meet with representatives of the National Government and alter their views. At the close of the conversation he quietly remarked that he agreed with me but feared that it would be difficult to persuade his Government.

In this connection, it may be worth noting that the local Chinese-language papers, in their reports of Konoye's latest speech before the Diet, quote him as referring to the Wang Ching-wei or Nanking Government and the Kuomin or National Government, which is an explicit recognition of the latter.

J.L.S.

January 31, 1941.

793.94/16498

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

GLW

GRAY

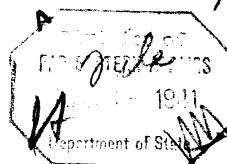
FROM Foochow via N. R.

Dated March 3, 1941

Rec'd, 1:30 a.m., 4th ~~Feb~~ *Reception*

Secretary of State,
Washington.

COPIES OF
O.N.I. AND R.I.D.
3/4/41 RCK



March 3, 6 p.m.

793.94

According to the Chinese naval authorities here there are near the port of Santuao, northeast of Foochow, 21 Japanese vessels comprising 12 cruisers, 6 transports, 2 destroyers and one aircraft carrier. Planes presumably from this carrier yesterday dropped about 115 bombs at Lienkong, Kwantow, Changmen, Haikow and Futsing, all of which are coastal points in the Foochow area. Today 55 Japanese planes flew over this vicinity but dropped only a few bombs at Lienkong.

Sent to Peiping, repeated to Chungking and the Department.

RICE

GV

FILED
MAR 18 1941

793.94/16491

FP

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 Department of State letter, August 10, 1972
 By Milton D. Quisenberry NARS, Date 12-18-75

TELEGRAM RECEIVED

EH

This telegram must be
 closely paraphrased before
 being communicated
 to anyone. (br)

Harbin via Peiping & N. R.

Undated

Rec'd 4:00 p.m. March 4, 19

3/5/41 TO

Secretary of State,

Washington.

File
 Department of State

Have ascertained that two thirds of Japanese naval
 officers of the Sungari river flotilla are reported to
 have left for Japan in February. This is unusual when the
 winter season is about to end. They may be going for some
 special purpose or merely for instruction in connection
 with the announced policy of strengthening the river fleet
 and border defenses.

The Sungari flotilla is said normally to have 200
 Japanese naval officers in charge of Chinese. It protects
 extensive areas against Chinese outlaws and cooperates
 with Amur units as a guard against the Soviets.

Sent in code by air mail to Peiping and to Tokyo.
 Copy by ordinary mail to Peiping for Chungking.

Repeated to Department and Shanghai for information
 of Naval Attache.

UNSIGNED

EMB

793.94/16492

MAR 17 1941

FILED LOC

713.19

MPA

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

GRAY

FROM Peiping via N. R.

Dated March 4, 1941

Rec'd 2:05 p.m.

Secretary of State,
Washington.

74, March 4, 4 p.m.

Amoy's 8, February 1, 6 p.m.--Kulangsu Municipal
Council.

Following is substantive portion of Amoy's February
28, 6 p.m., to Peiping only.

"The Japanese Consul General had definitely stated
that he would withdraw "temporarily" his demand for
Japanese sergeants on the Settlement police force. He
later changed his mind, however, and is now quibbling over
the wording of a reply to his demands which he can send
by the consul. Obviously desirous that the three members
of the council withdraw their resignations prior to the
ratepayers meeting to be held about March 15, he lacks
courage to remove the strict (*). It is still hoped that
he will see the light before the local situation, which
remains calm, becomes aggravated".

Sent to the Department, repeated to Chungking, by
air mail to Tokyo.

SMYTH

WSB

793.94/16493

FILED

LOC

1 1 4 2
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

K
TELEGRAM RECEIVED

GMW

This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (br)

Hong Kong via N. R.

Dated March 6, 1941

Rec'd. 12:15 p.m.

COMMUNICATED ORALLY
TO CHIEF AND LHD 3/7/41 30

Secretary of State,

Washington.

81, March 6, 11 a.m.

For the past three days Chinese and Japanese sources
in Hong Kong have reported the landing of the Japanese in
force at Kwonghoi about 60 miles west of Macao and run-
ning thence along the Kwangtung coast to Yeungkong,
Tinpak, Shuitong, Luichow and Pakhoi. We have now ascer-
tained that French economic conditions are reasonably
accurate.

It is our opinion, based on reliable observations,
that this move is not so much a part of the general
southward movement of the Japanese as a part of the spe-
cific movement begun at Mirs Bay to cut off the several
trade routes which have for some months been actively used
by the Chinese, and effectively blockade the Kwangtung
coast. It is reasonably certain that the Japanese have
captured much booty at all the above places and that the
quantities of both import and export merchandise taken
at Pakhoi are at least as important as those taken in the

Mirs Bay

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PC/DB
RETURN

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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- 81, March 6, 11 a.m. from Hong Kong via N. R.

Mirs Bay route and which are still being loaded on transports in Bias Bay. Pakhoi was evacuated by the Japanese more than a year ago and until the present Japanese landings in that area have been mainly for foraging. The only inland penetration so far reliably reported is to Toishan back of Kwonghoi. Although the Chinese allegedly could have made serious resistance at Pakhoi reports indicate that they did not attempt anything of the kind.

Sent to the Department, repeated to Chungking, Canton and Peiping for Tokyo.

SOUTHARD

WWC

1 1 4 i

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

PAW

PLAIN

FROM CHUNGKING VIA N.R.

Dated March 6, 1941

Rec'd 5:46 p.m.

Secretary of State

Washington

91, March 6, 3 p.m.

TA KUNG PAO today published important extracts from address delivered yesterday evening by Chiang Kai Shek to Delegates of Peoples Political Council. Embassy translation follows:

"Of course we still have many anxieties today. It is only natural that people worrying about their nation always study points of possible concern. But I wish to report the facts that I know and the basic views that I have adhered to. Points that people generally worry about really need occasion no concern.

Regarding economic conditions, we must first understand that important fact that although we have resisted aggression for four years, our legal tender notes are still backed by a sixty per cent cash reserve. I dare say that no other nation is able to do this. As to questions of commodity prices and foodstuffs, I still consider that we have not done our utmost. China is not short

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PS/DB

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

PAW -2- 91, March 6, 3 p.m. from Chungking

short of foodstuffs. It is fundamentally not a question of 'have' 'not have'. Take Szechuan for instance: if foodstuffs were extensively controlled beginning year before last, last year's fears could absolutely not have arisen. These occurred because the government has no experience and was negligent. However, it is erroneous to think that there will be a crisis this year just because there was one last year. The control of foodstuffs was not organized nor in preparation last year. But it is organized this year. In two or three months, controlling organs for Hsien and their subdivisions will be formed and I am confident that control will be effectively carried out by them. In a word, China absolutely will not follow the example of Germany in the first European war when the latter could not support its war effort owing to exhausting of foodstuffs. Such a condition will never prevail in China.

Diplomatically, people give heed to Russo-Japanese, Anglo-American, and Anglo-Japanese relations or similar diplomatic questions concerning other countries. These are only known to the countries concerned. Naturally, we can not understand them fully. But there is a basic point to which I hope everyone will give his attention. That

is

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PAW -3- 91, March 6, 3 p.m. from Chungking

is Soviet Russia, England, or the United States will never hinder China's war of resistance but, instead, will undoubtedly help China to fight. In the past there were people who expected Soviet Russia or the United States to participate and side with China in the war. I did not think so. China alone has the strength to win ultimate victory and does not wish the friendly powers to participate. If only they remain neutral, it will be both to their own and our benefit. Should China be defeated, they would no longer be able to remain neutral and would be nearer to war. So they must assist China and will never come to a rapprochement with Japan. It is therefore unnecessary to worry about diplomatic conditions. The reason I consider changes in international relations to be to our benefit is not because the friendly powers are giving us material assistance. I am optimistic because China has the strength to stand on its own legs.

In respect of communications, the enemy can absolutely not blockade China.

I hope that all delegates will cooperate in leading the entire nation to be firm in the confidence of winning final victory and, from now on, in giving special attention to ways of making China an excellent nation after the war through enforcement of constitutionalism and the realization of a democracy system of government."

Sent to Department, repeated to Peiping.
 JOHNSON

NPL

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

FROM

LS

GRAY

CANTON VIA N.R.

Dated March 6, 1941

Rec'd 6:45 a.m. 7th

Secretary of State,

Washington.

11, March 6, 11 a.m.

Yesterday the information bureau of the Japanese South China expeditionary forces at Canton announced that on March 3 Japanese forces made surprise landings at various points along the coast between Kwonghoi near the mouth of the West River and Pakhoi and occupied a number of towns along or near the coast including Yeung Keng, Liuchow and Pakhoi. It appears that these operations were designed to close supply routes extending into unoccupied China and that the forces met with little resistance.

Sent to the Department. Repeated to Legation at Chungking, Peiping and Hong Kong.

MYERS

RR

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ON 11/10/41
3/11/41
REK

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MAR 12 1941

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PS/DB

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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

Digest of a report prepared by R.M. Talbot in regard to the recent history of the Chinese Maritime Customs from time of the opening of Sino-Japanese hostilities until September 1940.

793.94/16497

For the original paper from which reference is taken

See MT. QUANTUM
 (Despatch, telegram, instruction, letter, etc.)

Dated December 13, 1940 From State Department
7477 Far Eastern (Davies)

File No. 693.002/1069 $\frac{1}{2}$

16497

1149
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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

CROSS-REFERENCE FILE

NOTE

SUBJECT

Political and military situation in
China (not including Manchuria).

Submits report on - for month of
November, 1940.

1w

For the original paper from which reference is taken

See Desp. #2281
(Despatch, telegram, instruction, letter, etc.)

Dated Dec. 14, 1940 From China (Peiping)
To Smyth

File No. 893.00 P.E./184

793.94/16498

PS/DE
16498

1151

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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. Telegram from London dated Dec. 11 stating that Netherlands Foreign Minister advises that the economic negotiations between Japan and the Netherlands East Indies are to continue though Japanese desiderata are not yet known. Telegram of Dec. 13 from London in regard to visit to Chungking of small Burmese mission to discuss primarily communications between Japanese and Chinese.

793.94/16499

For the original paper from which reference is taken

See Communication
(Despatch, telegram, instruction, letter, etc.)

Dated Dec. 17, 1940 From British Embassy
To

File No. 756d.94/111

MICROCOPY

976

ROLL

92

