

MICROCOPY

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# NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

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

Roll 95

1940-44

793.94/17101-793.94/8-2144  
Nov. 1942-Aug. 1944

793.94 Conference/377-378  
Mar. 13, 1940; Sept. 18, 1942

793.94 O.N.I./956  
May 1, 1940

793.9411/7  
Jan. 18, 1940

793.94111/127  
May 31, 1940

793.94112/287-436  
Jan. 1940-Nov. 1941

793.94114/13  
Aug. 16, 1940

793.94116/124-147  
Jan. 1940-Feb. 1942

793.94118/102-104  
Feb. 1940-Mar. 1941



THE NATIONAL ARCHIVES  
NATIONAL ARCHIVES AND RECORDS SERVICE  
GENERAL SERVICES ADMINISTRATION

WASHINGTON: 1975



## INTRODUCTION

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

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

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

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

## NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

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

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

## NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

## NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

793.94/

# CROSS-REFERENCE FILE

## NOTE

**SUBJECT** Relations between China and Japan.

Informs of statement of Dr. T. V. Soong regarding post war  
—, and need for American aid to China.

For the original paper from which reference is taken

See Tel. #1288, 6pm  
(Despatch, telegram, instruction, letter, etc.)

Dated Nov. 5, 1942 

From		China (Chungking) -Gauss.
To		

File No. 811.24/1695

793.94 / 17101

PS/MEL

17101

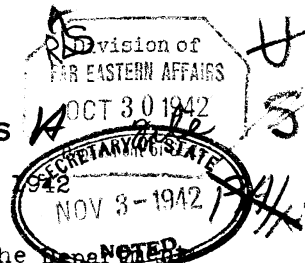
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Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75



DIVISION OF FAR EASTERN AFFAIRS

STRICTLY CONFIDENTIAL

October 29, 1942



Mr. Kao Tsung-wu, former Director of the Department of Asiatic Affairs of the Foreign Office of the Chinese National Government, has been residing quietly in Washington for the past two years.

DCR

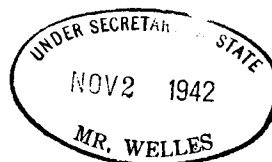
It may be recalled that Mr. Kao was appointed to the position of Director of the Department of Asiatic Affairs in 1935 over the heads of a number of more senior Foreign Office officials because of the impression made by Mr. Kao upon General Chiang Kai-shek when Mr. Kao, following negotiations with Japan at Peiping in the autumn of 1934, courageously refused to sign an agreement for the resumption of postal communications between China and "Manchukuo". Mr. Kao is also the man who was with Wang Ching-wei during Wang's negotiations with Japan for setting up the Nanking regime and who stole the agreement, fled to Hong Kong, and made it public.

Mr. Kao has informed me that he was General Chiang's principal negotiator with the Japanese in attempting to stave off the Sino-Japanese hostilities of 1937 and that he made two trips to Tokyo (in 1939 and 1940--and I am not entirely sure whether he meant in behalf of both General Chiang and Mr. Wang or only on behalf of Mr. Wang), during which visits he had talks with Prince Konoye and other important Japanese.

Mr. Kao is at present completing an account in Chinese of his relations with the Japanese from 1931 to 1940. He states that he hopes to have this translated into English and published in this country, but that he must delay publication in all probability until friends in Chungking get his family and his wife's family from Shanghai to "free China" as he fears that publication of his manuscript would result in reprisals by the Japanese against the two families.

In commenting on the current war, Mr. Kao stated that, although at one time he was an appeaser (referring to his association with Wang Ching-wei), he feels that any negotiated peace with Japan would merely be a truce followed by further military action by the Japanese. He believes that following a number of defeats of the Japanese--but prior to a complete defeat--some of the Japanese military

will



793.92 / 17102

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

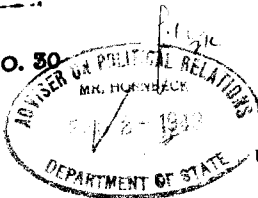
-2-

will become so dissatisfied that they will assassinate the principal Japanese military leaders and then form a government which will attempt to negotiate peace with the United Nations. Mr. Kao believes that if such a situation were to develop a peace negotiated with that government would be merely a truce, to be followed later by further aggression by Japan.

FE:Salisbury:MLS

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

No. 30



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

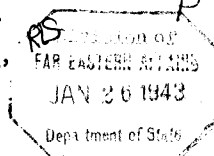
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ONI AND M.I.D.

CONFIDENTIAL

AMERICAN CONSULATE  
Foochow, China, November 19, 1941.

SUBJECT: Japanese Military, Political and Economic  
Accomplishments in the Foochow Consular  
District in the Months April to September,  
1941.



RECEIVED  
DEPARTMENT OF STATE  
JAN 4 1943  
THE HONORABLE  
THE SECRETARY OF STATE,  
WASHINGTON.

WASHINGTON.

Grade	For	Yes	No
Good	In U.S.A.	X	
E.E. Rice	MIS:GMI		

I have the honor to refer to my despatch of May 7, 1941 on the subject "Circumstances Which Facilitated Japanese Occupation of the Foochow Area" and to submit the enclosed report on Japanese military, political and economic accomplishments in the Foochow consular district during the period beginning on April 19, 1941 when Japanese forces commenced the occupation of the Foochow area and ending on September 21, 1941 on which date they had completed the evacuation of both the Foochow area and of the port of Santu (三都), northeast of this city.

Summary:

The Japanese on April 19, 1941 initiated military operations resulting within a few days and at the cost of few casualties in the almost complete disorganization of the regular Chinese forces stationed in this consular district. Politically, the Japanese succeeded only in alienating puppet officials and in earning the dislike of the people. During the first few weeks of occupation the Japanese obtained from this area profits believed to total N.C.\$13,000,000. They also removed from this consular district, prior to their evacuation, loot estimated to be worth at least N.C.\$67,000,000. However,

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JAN 1943



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they apparently found no way to make permanent occupation profitable.

Military Accomplishments.

It will be recalled that beginning on the morning of April 19, 1941 a Japanese force consisting probably of not over and possibly of less than one division landed on the Fukien coast near Foochow. At that time there were within this consular district two Chinese regular divisions (the Seventy-fifth and Eightieth Divisions of the 100th Army) under the command of General Ch'en Ch'i (陳琪), Peace Preservation Corps equivalent to between one and two divisions under General Ch'en I (陳儀), Chairman of the Fukien Provincial Government, and perhaps a thousand marines under the Command of Rear-Admiral Li Shih-chia (李世甲).

The Japanese landing was virtually unopposed and their advance inland was covered by heavy aerial bombing and machine-gun fire. Troops of the Seventy-fifth Division stationed near the coast retreated before the Japanese without offering combat, many of the men deserted, and the entire division later was withdrawn from Fukien. According to informed Chinese sources the Eightieth Division did not have a full complement of men, although the Central Government had been allotting funds therefor; the leadership provided by its officers was poor and as the Japanese advanced many of its units melted away. Hundreds of the men of the Eightieth Division turned bandit and all but one regiment had subsequently to be reorganized. Peace Preservation Corps units, said to contain many former Nineteenth Route Army men, appear to

-3-

to have preserved good discipline and to have retired virtually intact. Chinese marines at the Changmen Forts resisted sharply for a short time and then fell back only when ordered to do so because of Japanese occupation of strategic positions in their rear. However the principal naval officers at Foochow, with the exception of Admiral Li Shih-chia, deserted when the Japanese invasion became known, some of them subsequently becoming Japanese puppets. At Mamoi the arsenal, Chinese naval establishments and all Chinese naval craft fell into Japanese hands.

Thus at a cost probably of less than a hundred casualties the Japanese almost entirely disorganized two divisions of Chinese troops as well as certain naval forces and obtained virtually all Chinese naval equipment in the estuary of the Min River. In addition there was created a serious problem of banditry through the scattering of large bodies of troops and the discarding by Chinese forces of thousands of rifles and pistols which fell into the hands of a poverty-stricken and undisciplined rural populace.

Soon after the occupation of Foochow the Japanese established defensive positions, brought in trucks and some tanks and withdrew a large portion of their initial force. Chinese regular forces were reorganized, guerrilla units were enlisted and both combined with Peace Preservation Corps in attacks on small units of Japanese. In these encounters and in offensives designed to break up Chinese troop concentrations in nearby mountainous areas the Japanese suffered casualties estimated by Chinese official sources to total 1500. Foreign observers in the perimeter of the occupied area consider that this claim is not greatly exaggerated. It would appear therefore that Japanese casualties

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casualties over a period of time would have become considerable and it would seem that little was to be gained militarily by long-continued Japanese occupation of the relatively isolated Foochow area.

Between the middle of August and the third day of September the Japanese evacuated in an orderly manner their equipment, supplies and troops. This evacuation was covered by attacks by planes and by small bodies of troops on Chinese forces near the area being evacuated and by a landing on August 26 at Santu, northeast of Foochow, from which point the Japanese withdrew September 21.

Political Accomplishments.

The Japanese at the time of their occupation of the Foochow area had an exceptional opportunity locally to put into effect a "New Order" based upon the "Sino-Japanese Cooperation" of which they are wont to speak. For reasons outlined in my despatch under reference the majority of all classes of Fukienese heartily disliked the provincial regime then in power, many natives of Foochow expressed the hope that the Japanese would occupy the city and some of them at first were glad to serve as puppet officials. The Japanese enjoyed, moreover, the advantage of being able to employ in liaison work and in other capacities many Formosan Chinese whose forbears came from this province and who are indistinguishable in speech and appearance from the people of Fukien. Japanese public health activities--particularly mass inoculations of the populace and a campaign for the  
extermination

-5-

extermination of rats--unquestionably benefited the people, as did Japanese road repair work.

However, the arrest on July 19 of the Chairman and about sixty members and employees of the Foochow Peace Maintenance Commission (福州治安維持會) and their subsequent torture thoroughly frightened and completely alienated local puppet politicians and government employees. Business elements were disappointed because Foochow was not opened to commercial shipping and because the Japanese in general paid local merchants only a fraction of the value of goods taken over. The lower classes in this city were resentful because foodstuff prices continued to rise until about the time at which the first rice crop came on the market and because opportunities for gainful employment were inadequate.

All classes of the populace of Foochow came to have deep-seated fear of and dislike for the Japanese because of the undisciplined and often capriciously brutal behaviour of their soldiers. No pedestrian could be sure when he would for no apparent reason be shouted at and severely slapped or beaten by a Japanese soldier or sentry. Japanese soldiers freely appropriated money and articles of value from homes. The more attractive women generally felt it necessary as far as possible to stay hidden for fear of rape. People were arrested sometimes for the most inconsequential reasons and on arrival at gendarmerie headquarters were subjected to torture, were imprisoned for days on a meagre diet and sometimes were subsequently released without even being questioned.

In

-6-

In outlying districts the people received still worse treatment. For instance, the town of Tungchang (凍張), in Futsing district, was burned down apparently because the Japanese suffered heavy casualties in an engagement nearby. Puppet politicians in Futsing district, promised transportation to Amoy when the Japanese left this area, are reliably reported to have been towed out to sea on barges, robbed by Japanese soldiers and subsequently cast adrift.

Thus the Japanese, in the 135 days of their occupation of the Foochow area, succeeded in alienating all classes of the population and in creating an atmosphere of depressed tension, felt by Chinese and foreigners alike, which only lifted when the Japanese departed.

Economic Accomplishments.

The Japanese Army authorities at Foochow, according to puppet official sources, hoped that they could obtain from the Chinese-occupied interior shipments of timber, a shortage of which was reported to exist in Japan. Evidently as an inducement they held out an offer to Mr. C. G. G. Pearson, the Associate District Director of Salt Administration for Fukien, to allow salt produced along the Fukien coast to be transported by junk from the producing areas to Foochow and from this city up the Min River to the Chinese-held interior. It might be explained that according to Mr. Pearson the occupation of Foochow closed this transport route, which had been in use for centuries, and resulted in an increase in the price of salt throughout Fukien of N.C.\$65 per picul which he estimated would raise its cost to the people of the province

-7-

province approximately \$52,000,000 per year. Mr. Pearson was informed that should the Chinese authorities not agree to such arrangements Japanese planes would bomb salt works in Chinese-occupied Fukien. However, the responsible Chinese authorities were unwilling to make the arrangements desired by the Japanese and ordered the Associate District Director to break off negotiations.

As the Foochow area produces no important agricultural surplus and as all modern industry had been destroyed by Japanese aerial bombing or removed to the interior, there was in this vicinity itself little or nothing on which the Japanese could draw to make its permanent occupation profitable. This was doubtless one of the considerations which caused the Japanese to withdraw.

Prior to their withdrawal, however, the Japanese obtained and removed considerable quantities of currency and commodities. The currency, estimated at N.C.\$20,000,000, was obtained principally through the sale of commodities some of which were seized when this area was occupied and others of which subsequently were imported. Most important were sales made through the Foochow Chamber of Commerce of rice and flour imported during the period between the occupation of the city in April and the coming on the market in July of the new rice crop. During this period prices were so high as to allow the making of a profit of several hundred per cent on imported rice. Certain other commodities seized in this consular district during the months of April to September were exported, presumably to Japan and Formosa. These included timber estimated to be worth N.C.\$44,000,000 (for a portion of

which

-8-

which the Japanese paid N.C.\$2,400,000), machinery and metals worth, at prices prevailing in the United States for scrap, about N.C.\$8,000,000, tea valued at not less than N.C.\$4,000,000 and lesser quantities of paper, oils and miscellaneous goods. The Japanese also commandeered and took away, according to a reliable source, sixty-six vessels ranging in size from launches to small coastal steamers worth in all about N.C.\$7,000,000. Conservative estimates of the total of profits realized and of goods known to have been taken without payment are respectively N.C.\$13,000,000 and \$67,000,000, or a total of N.C.\$80,000,000. The Japanese in this district also looted items not included in the above total such as furniture, household articles, cash, postage stamps (from small post offices), foodstuffs and fuel the amounts and total value of which the Consulate is not in a position to estimate.

The Japanese on evacuating Foochow claimed to have achieved a tightening of their blockade against Chinese-held territory. However, coastal vessels had already ceased to call at ports in this consular district before the invasion and there appears to be little evidence tending to substantiate this Japanese allegation. However, the Japanese did inflict on the Chinese in this district very considerable economic losses and succeeded in obtaining for themselves lesser but nevertheless substantial economic gains.

Respectfully yours,

*Edward E. Rice*  
Edward E. Rice  
American Consul

800

EER:tkw

Original and seven copies (one copy marked "for the Division of Commercial Affairs").

Copy to Embassy, Peiping.

Copy to Embassy, Chungking.

*Seven copies - 4/2*

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

LILLICK, GEARY, OLSON & CHARLES  
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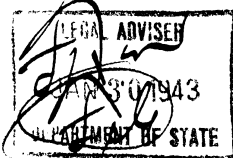
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DIVISION  
DEPARTMENT OF STATE  
Washington, D.C.  
Gentlemen:

SAN FRANCISCO, CALIFORNIA

January 22, 1943

311 CALIFORNIA STREET  
SAN FRANCISCO  
CALIFORNIA  
634 SO. SPRING STREET  
LOS ANGELES  
CALIFORNIA  
CABLE ADDRESS:  
BOTH OFFICES:  
IRALILLICK

March 10, 1943



Re: East Asiatic Co. et al vs.  
Motorship "ASBJORN"

We are defending the above action which is pending at San Francisco in the United States District Court.

The action is for damages arising from the failure of the above vessel to call at Shanghai, China, during the latter part of August, 1937. Certain provisions of the bills of lading make it necessary to determine whether or not any blockade was declared either by Japan or China during the foregoing period which would affect Shanghai.

Accordingly we shall appreciate your advising us what your records show with respect to the declaration and existence of a blockade of Chinese ports during the aforementioned period.

Thanking you for your assistance and courtesy, we are,

Respectfully yours,

*Lillick, Geary, Olson & Charles*

6-4-6319



793.94/17104

PS/HCW



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

March 10, 1948

In reply refer to  
FE 793.94/17104

Lilliock, Geary, Olson & Charles,  
311 California Street,  
San Francisco, California.

Sirs:

The receipt is acknowledged of your letter of January 22, 1943, in which you request information in regard to a declaration either by the Japanese or by the Chinese authorities of a blockade of Chinese ports during the latter part of August 1937. You state that this information is desired in connection with pending litigation in the United States District Court at San Francisco.

According to reports received in the Department, the following "Proclamation" was issued on August 25, 1937 by the Commander-in-Chief of the Japanese Third Fleet:

"Proclamation"

"I hereby announce that, commencing from six p.m. of August 25th, 1937, Chinese shipping, both Government owned and private, will be prohibited by the naval forces under my command from entering into or exiting from the Chinese territorial waters extending from thirty two point four degrees north latitude and one twenty one point forty four degrees east longitude to twenty three point fourteen degrees north latitude and one sixteen point forty eight degrees east longitude.

"This

793.94/17104

PS/LFC

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

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"This prohibition will be applicable to all Chinese shipping but will not prevent vessels of third powers as well as those of Japan from entering into or exiting from the prescribed zone.

"August twenty-fifth, nineteen thirty seven.

Vice Admiral Kiyoshi Hasegawa,  
Commander-in-Chief of the  
Japanese third fleet, on board  
the Idzumo."

There are also given below as of possible interest to you the texts of two proclamations which, according to reports received by the Department, were made public by the Japanese authorities on September 5, 1937.

"I hereby announce that commencing from six p.m. on September 5, 1937, Chinese shipping, both government owned and private, will be prohibited by the Naval forces under my command from entering into or exiting from the Chinese territorial waters extending from forty degrees north latitude and 119.54 degrees east longitude to thirty four point thirty degrees north latitude and 119.55 degrees east longitude but excepting the port of Tsingtao. The present prohibition will be applicable to all Chinese shipping but will not prevent vessels of third powers and of Japan from entering into or exiting from the prescribed area.

Vice Admiral Zengo Yoshida,  
Commander-in-Chief of the  
second fleet, Imperial Japanese Navy."

"I hereby announce that commencing from six p.m. September 5, 1937, Chinese shipping, both government owned and private, will be prohibited by the naval forces under my command from entering into or exiting from the Chinese territorial waters extending from thirty four point thirty degrees north latitude and 119.50 degrees east longitude to twenty one point thirty three degrees north latitude and 108.03 degrees east longitude but excluding the waters belonging to leased territories of third powers. The present prohibition will apply to all Chinese shipping but

vessels

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

-3-

vessels of third powers and of Japan will not be prevented from entering into or exiting from the prescribed zone. The present proclamation will replace the previous one issued by me August 25, 1937.

Vice Admiral Kiyoshi Hasegawa,  
Commander-in-Chief of the  
third fleet, Imperial Japanese  
Navy on board HIJMS Idzumo."

The following memorandum was received by the American Embassy at Nanking from the Chinese Foreign Office on September 8, 1937.

"Translation"

"Memorandum"

"In view of the blockade declared by the Japanese Government of the Chinese coast between Chinwangtao and Pakhoi, the Chinese Air Force and other defensive forces are compelled to take appropriate action against all Japanese naval vessels along the Chinese coast. In order to ensure safety as far as possible to the life and property of third parties, the Chinese Government requests that the naval and merchant vessels of all friendly Powers, when approaching the coast of China, exercise utmost care in avoiding to come within such a distance of any Japanese naval vessel or any Japanese military transport as will endanger their safety during the operations of the Chinese defensive forces.

"It is further requested that the vessels of all third countries intending to come near the coast of China, have their respective national colors painted on their top decks in such a conspicuous manner as will make them easily recognizable from the air.

"The Chinese Government will feel much obliged if the American Embassy will immediately transmit the above notification to the parties concerned.

Nanking, September 8, 1937."

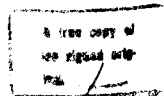
Very truly yours,

For the Secretary of State:

LES  
Laurence E. Salisbury  
Assistant Chief  
Division of Far Eastern Affairs

RP 1345  
FE:TLR:CDS  
3-3-43

RB JMB  
FE  
m m 14



64

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

SUBJECT OR FILE NO.		DATE DUE	
793.94/17106		10-31-53	
DATE OF DOC.	NO.	SECURITY CLASS.	DATE CHARGED
1943			8-31-53
TO/FROM		ENCLOSURES	
re. Mark A. Brown			
CHARGE TO		OFFICE SYMBOL	
O'Neill		SY	
Form DS-933a (9-1-51)		DEPARTMENT OF STATE	

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

OFFICE OF WAR INFORMATION  
WASHINGTON

DIVISION OF  
MAR 20 1943  
THE AMERICAN REPUBLICS  
DEPARTMENT OF STATE

OFFICE OF THE DIRECTOR

February 9, 1943

DIVISION OF  
EUROPEAN AFFAIRS  
1943  
DEPARTMENT OF STATE

*By J. G. Lee*  
B

RECEIVED  
DEPARTMENT OF STATE

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

OFFICE OF THE PETROLEUM ADVISOR  
MAY 4 1943  
DEPARTMENT OF STATE

DIVISION OF  
EUROPEAN AFFAIRS  
MAR 21 1943  
DEPARTMENT OF STATE

My dear Mr. Secretary:

We respectfully refer to you for consideration and such action as may be deemed appropriate, the enclosed letter from Mr. Mark A. Brown of Chicago, Illinois, with attached copy of correspondence from Sir John Pratt K.B.E., C.M.G., published in The Times (London), November 10, 1938, concerning matters under the jurisdiction of the Department of State.

Mr. Brown has been informed of this reference.

Cordially,

*Elmer Davis*

Elmer Davis  
Director

Enclosures *V*

Y  
R  
AND  
STAMPS

MAY 5 - 1943

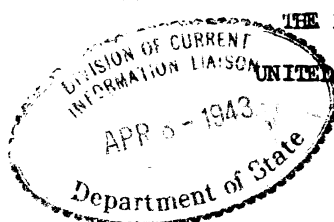
RECEIVED

PC/HCM

133-94/17106

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

p. 14.



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

AMERICAN VICE CONSULATE  
Valdivia, February 28, 1943 (Chile).

SUBJECT: SUGGESTED PUBLICATION OF EXCERPTS FROM OFFICIAL  
FOREIGN SERVICE REPORTS CONCERNING JAPANESE  
ATROCITIES IN CHINA.

RECEIVED  
DEPARTMENT OF STATE

THE HONORABLE

THE SECRETARY OF STATE  
WASHINGTON.

SIR:

I have the honor to refer to the numerous speeches and press articles by The Honorable Joseph C. Grew, former Ambassador to Japan, which I have been privileged to hear or to read since the repatriation of American Foreign Service personnel from the Far East, and to express my humble opinion, as a consular officer who, in the performance of his duties, was forced to deal directly with the Japanese Army in occupied China (the Japanese Consular offices merely acting as the medium of communication) from January 8, 1938 to December 8, 1941, that Mr. Grew's utterances and articles have been of inestimable value in disabusing the American public and the world at large of illusions previously harbored as to the superficiality of Japan's national and military strength.

However, it has occurred to the writer that there are probably on file in the Department many despatches and reports from former Foreign Service offices in Japanese-occupied China dealing with Japanese baseness and excesses in that country which would make the published account of the "Rape of Nanking" seem mild by comparison, and that the publication of excerpts from such official reports would do much to crystallize public feeling toward and to make the man-in-the-street, as well as the armed forces, "fighting mad" at the Japs. I have in mind particularly despatches nos. 111 and 126 from the former American Consulate at Tsinan, and certain Monthly Political Reports submitted by that office during the period 1939 to 1941, consular file 800.

It is realized, of course, that every care would have to be exercised to avoid jeopardizing the safety of Americans and other United Nations citizens still in Japanese-controlled territory, but it is believed that, in most cases, the material could safely be published if names (including the name of the reporting office) and dates were omitted.

Respectfully yours,

*Carl O. Hawthorne*  
Carl O. Hawthorne,  
American Vice Consul.

711.6  
COH/coh

Original and hectograph master sheet to Department,  
Copy to Embassy, Santiago.

793.94/17107

PS/HCM

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

793.94/

38

PREPARING OFFICE  
WILL INDICATE WHETHER

TELEGRAM SENT

Department of State

TO BE TRANSMITTED  
SECRET  
CONFIDENTIAL  
RESTRICTED  
CLEAR  
AIRGRAM

Collect { Full rate  
Day letter  
Night letter

Charge Department:

Full rate  
Day letter  
Night letter

Charge to  
\$

EMBASSY,

CHUNGKING (CHINA)

#28

Washington,

March 25, 1943

APR 1

6 PM

This cable was sent to the Department of State.  
It is being sent to the Department of State before  
being sent to the Department of State.

According to Japanese radio broadcasts Premier Tojo in addressing the Diet on March 25 stated inter alia that QUOTE Chungking is feeling a great shock under the recent clear cut measures taken by Japan on the basis of Japan's new China policy, that there is ever growing in the Chungking camp sentiments for peace among the front line commanders and that compared to previous times there now is a great increase in the number of those surrendering and returning to the Nanking camp UNQUOTE. In connection with Japanese reports of alleged defections to the Nanking regime the Chief of the Japanese Army Information Bureau stated in a broadcast on March 2 that W. W. Yen, Eugene Chen and Chou Tso-min (Managing Director of the Kinchong Banking Corporation) are now supporting the Nanking regime.

The Department would be glad to receive Embassy's comments regarding Japanese reports of defections to the Nanking regime and also the Embassy's estimate of the present political and economic strength of that regime in the light of recent Japanese broadcasts alleging that measures have been taken

Enciphered by \_\_\_\_\_

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_

793.94/17107A

Original File

PS/RMB

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

39

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

- 2 -

Washington,

TO BE TRANSMITTED

SECRET  
CONFIDENTIAL  
RESTRICTED  
CLEAR  
AIRGRAM

to give more political and economic authority to Nanking  
in pursuance of Japan's QUOTE New China Policy UNQUOTE.

Hull

sup

RECEIVED  
DEPARTMENT OF STATE  
1943 APR 1 PM 5 05  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS

Enciphered by ES  
FE:EPS:MS  
Sent by operator GA M., 19 1943

APR 1 1943 PM



40

FE  
1A/M

# TELEGRAM RECEIVED

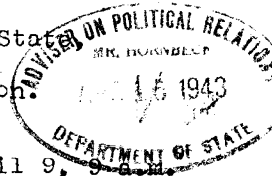
ELP  
This telegram must be  
closely paraphrased be-  
fore being communicated  
to anyone. (SC)

Chungking via N.R.  
Dated April 9, 1943.  
Rec'd 12:15 p.m.

Secretary of State  
Washington.

COPIES IN TELETYPE  
SENT TO  
M.I.D. IN CONFERENCE  
4-13-43 REK

515, April 9, 1943



FS

793.94

I have had a discussion with Acting Foreign Minister  
in regard to the subject of Department's 428, April 1,  
6 p.m. He states that Chinese Government is not now  
concerned regarding Japan's "new China policy" in occupied  
China and I find other Chinese officials of like mind.  
He described Japan's "new China policy" as one of appease-  
ment. He cites as significant Tojo's recent address  
Jap residents in Shanghai, when he instructed them to  
treat Chinese as equals and as brothers other than as  
conquered people, and the action, presumably taken on  
Tojo's instructions, in changing Jap special service  
officers in China into liaison officers for maintenance  
of relations with Chinese officials. The appeasement  
policy, he states, is not now a matter for concern but  
if the war in the Far East is prolonged and if as a  
result Chinese in occupied areas become disheartened  
this policy might prove effective. He states that Japan,  
with the large resources now at its command, is growing

strong

mgk

APR 7 1943

FILED

7 23. 04/17/108

PS/ATS

41

-2-#515, April 9, 9 a.m. from Chungking via N.R.

stronger and that there is a very real danger that Chinese in occupied China may become impressed with this fact and be influenced by the appeasement policy to the point that they may cooperate with the Japs. With regard to increase use of puppet troops by Japan, he states that situation is not perturbing, that Japs must still maintain close surveillance of puppet troops but that those troops may be influenced in their attitude by the circumstances outlined above.

I incline to the belief that Dr. Wu's views are a reflection in some measure of recent discussions in Executive Yuan Cabinet meetings and possibly in the Supreme National Defense Council. The connection made between possible effectiveness of Jap appeasement in occupied China and the feeling that the war is being unnecessarily prolonged because of allied concentration on the European rather than the Pacific theatre of the war is obviously another attempt to put forward Chinese claim for active operations in the Pacific theatre. However, I feel that, rightly or wrongly, there is a degree of sincerity behind the views expressed.

The Chief of military intelligence, expressing his views without knowledge of the views outlined above by Acting Foreign Minister told me that the Jap appeasement policy

42

-3-#515, April 9, 9 a.m. from Chungking via N.R.

policy had come too late to be effective among the civilian population in occupied China and that there was little to be feared from increase in puppet troops. He said that there had been no defections of military or such officials from here to the Nanking regime but admitted that some Chinese officials in minor positions and businessmen had, for family reasons, recently found their way back to Shanghai and that some Chinese of prominence in occupied areas had been forced to appear to join the Nanking regime. He said that Chinese here were not impressed with Tojo's recent attempts to give face to Wang Ching Wei.

While recognizing that the development of Jap policy in occupied China cannot be lightly dismissed as insignificant, I do not feel that it is cause for serious concern.

VINCENT

WWC

43

STRICTLY CONFIDENTIAL

PARAPHRASE

No. 516

A telegram of April 9, 1943 from the American Chargé d'Affaires at Chungking reads substantially as follows:

The Acting Minister for Foreign Affairs (Dr. Hu), with whom the matter of Japan's new policy in occupied China has been discussed, states that the Chungking Government is not concerned at the present time in regard to this new policy. The Chargé finds that other Chinese officials appear to feel the same way. The Acting Minister for Foreign Affairs described the "new China policy" of Japan as an appeasement policy. As significant he mentions Tojo's recent address to Japanese residents in Shanghai in which Tojo instructed the Japanese to treat the Chinese not as conquered people but as brothers and as equals, and the action which was taken presumably on instruction from Tojo in changing Japanese special service officers in China into liaison officers to maintain relations with officials of the Chinese regime. The Acting Minister for Foreign Affairs states that although the appeasement policy is not a matter for concern at the present time, this policy might prove effective in case the war in the Far East is prolonged and as a result Chinese in the occupied territories become discouraged. The Acting Minister for Foreign Affairs states that now having large resources at its command Japan is increasing in strength and a very real danger exists that this fact may impress Chinese in occupied territory and that they may be influenced by the appeasement policy to such an extent that they may cooperate with Japan. In connection with Japan's increased use of puppet troops the Acting Minister for Foreign Affairs says that the situation is not disturbing, that the Japanese must still keep a close watch over the puppet troops but that the circumstances above outlined may influence these troops in their attitude.

793.94/17168

The American Chargé is inclined to feel that the views expressed by Dr. Hu reflect to some extent discussions held recently in meetings of the Executive Yuan Cabinet and perhaps in the Supreme National Defense Council. It is obvious that the connection drawn between possible effectiveness of Japanese appeasement in occupied China and the feeling that, due to Allied concentration on the European front rather than in the Pacific theater of war, the war is being prolonged unnecessarily is another effort to call attention to the Chinese claim for active operations in the Pacific theater of war. The Chargé is of the opinion, however, that rightly or wrongly there is a certain amount of sincerity behind the views expressed by

the

7 0 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-

the Chinese. Without knowing of the above-mentioned views of Dr. Wu the Chief of Military Intelligence in expressing his opinions told the American Chargé that the Japanese have begun their appeasement policy too late to be effective among the civilians in occupied China and that the increase in puppet troops was not a matter to be feared. According to the Chief of Military Intelligence there have been no defections of military or such officials from the Chungking Government to the Nanking regime. However, he admitted that for family reasons some Chinese businessmen and officials in minor positions had found their way back to Shanghai recently and that some prominent Chinese in the occupied territories had been compelled to seem to join the regime at Nanking. The Chief of Military Intelligence said further that Tojo's recent efforts to give face to Wang Ching-wei had not impressed Chinese in Chungking.

The American Chargé does not think that the development of Japanese policy in occupied China is cause for serious concern although he recognizes that it cannot be dismissed lightly as insignificant.

ONI  
MIS } 4-13-43  
Curran }

e.g.c.  
FE:EGC:MLS

FE

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

793.94

## CROSS-REFERENCE FILE

### NOTE

**SUBJECT** Views of Dr. Shuhsi Hsu relative to Sino-American Relations  
and possibility of Collapse of Chinese Resistance.

Informes that Dr. Hsu professed to fear that with China out  
of the war, defeat of Japan by the U.S. might become impossible.

For the original paper from which reference is taken

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

Dated Mar. 11, 1943 From State Department  
To Far Eastern Affairs  
(Rice)

File No. 711.93/528

793.94 / 17109

PS / ATB

17119

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

DCR

# CATCH

SLIP

IMPORTANT: Enter Only One Enclosure Number on Sheet

FILE NUMBER:

193.94/17109A

(The more Legibly You Write, The More Accurate Is This Catch)

DIVISION REQUESTING PAPER  Enter Division Symbol & Name of Person Therein)		ROOM NO. AND BLDG.	PHONE NO.	SPECIFIC PAPER DESIRED  (Enter: "Blue", "Yellow Tele- gram" Etc. If Complete File Write "File")	DATE CATCH MADE  Enter Date and Name of Person Making Catch)	SENDING INSTRUC- TIONS  Enter: "Call" "Tally" Etc.)
DIV.	NAME					
FE	Bacon (miss)		650		4-24-43	Call

GENERAL INSTRUCTIONS FOR FILE CLERK: (Read Carefully)

When file specified above is returned to file, make a charge as indicated above, marking thru catch-sheet thus: ( ). Send this catch sheet with the papers to the office or person requesting same, BEFORE REMOVING ANY PAPERS FROM FILE, ASCERTAIN WHETHER OR NOT THE PAPER YOU HAVE FITS EXACTLY THE DESCRIPTION AS GIVEN ABOVE. FOR INSTANCE, DO NOT CHARGE OUT A BLUE OR GREEN WHEN THE ORIGINAL OR INCOMING IS REQUESTED

INFORMATIVE DATA FOR USE OF DCR PERSONNEL REQUESTING FILES:

Reason Catch Made \_\_\_\_\_ Pertinent Remarks \_\_\_\_\_  
Duplication \_\_\_\_\_  
Transfer \_\_\_\_\_  
Other (Specify) \_\_\_\_\_

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

618

DLA

# TELEGRAM RECEIVED

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

Rec'd 12:27 P.M.  
FROM  
Division of  
FAR EASTERN AFFAIRS  
APR 24 1943  
Department of State

Secretary of State,  
Washington.

2530, April 23, noon (SECTION ONE)

Your 915, April 17. 793.94/17109a

Upon mentioning Japanese broadcast to Mr.

Pilet-Golaz he gave me following texts of  
Parliamentary interpolation and reply.

(Translation) "Perret interpolation of  
March 31. The two opposing Chinese parties have  
one common point on their programs: The abrogation  
of the extraterritorial agreements placing aliens  
in a favored position as against the local population.  
Most countries have announced either to the Govern-  
ment of Chungking or to that of Nanking their  
appreciation of so natural a desire. Does not  
the Federal Council intend to follow the example  
of these countries?"

Federal Councils reply of April 2:

"The treaty of amity concluded on June 13,  
1918, between Switzerland and China places no  
obstacles in the way of justified desires of the  
Chinese

ADVISED ON POLITICAL RELATIONS  
MR. HUNDELL  
APR 23 1943  
DEPARTMENT OF STATE

FILED

MAY 5 - 1943

PS/ATH

793.94/17110

793.94  
793.94/17110

myk



619

-2- #2530, April 23, noon (SECTION ONE) from Bern

Chinese people. While the agreement as a result of the most favored nation clause assures the same treatment to the Swiss as to other foreigners it is specified at the outset by solemn declaration that Switzerland is ready to abandon the right of consular jurisdiction at the same time as other powers. This declaration retains its full validity and undoubtedly the time is drawing near when it will find full application".

HARRISON

JRL

620

**TELEGRAM RECEIVED**

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

BERN  
Dated April 23, 1943  
FROM Rec'd Noon

Secretary of State  
Washington

2530, April 23, Noon (SECTION TWO)

793.94

Mr. Pilet told me that he had initiated the  
interpolation and had deliberately taken this  
means to make what he called an "interior declaration"  
rather than an "exterior declaration" so as to  
preserve a strictly neutral attitude. He explained  
that extraterritorial rights enjoyed by Swiss  
evolved from most favored nation provision of  
their treaty with China depended solely upon  
treatment accorded to others and would lapse  
when relinquished by great powers. He pointed to  
presence of Chinese (Chungking) Legation in Bern  
and assured me that he had no intention of according  
de jure recognition to Nanking authorities with  
whom Swiss Consul General at Shanghai had on  
occasion to deal on a de facto basis in matters  
relating to Swiss citizens and citizens of the  
protected powers.

(END OF MESSAGE)

HARISON

WSB

Confidential File

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

## TELEGRAM RECEIVED

BEH

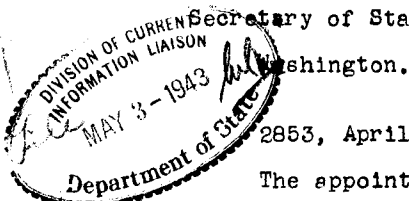
London

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

Dated April 23, 1943

FROM

Rec'd 9:24 p.m.



Secretary of State,

Washington.

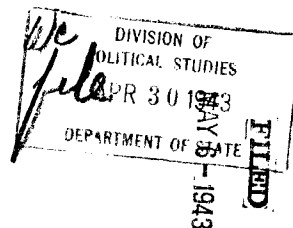
2853, April 23, 4 p.m. (SECTIONS ONE AND TWO)

The appointment of Memoru Shigemitsu, former Japanese Ambassador to London, as Foreign Minister in Tokyo is interpreted by informed circles here as being primarily connected with Japan's recently publicized new policy towards the puppet regime of Wang Ching-Wei. The local press has carried only brief comment if any, with the exception of the DAILY MAIL which on April 22 published a signed article on Shigemitsu by O. M. Green, former editor of the NORTH CHINA DAILY NEWS of Shanghai, entitled "Keep an Eye on Him"

Mr. Green's thesis, with which highly placed officials of the Far Eastern divisions of the Foreign Office and the Ministry of Information disagree, is stated in the following paragraph.

WINANT

LMS



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

## TELEGRAM RECEIVED

JMB

FROM London

This telegram must be  
paraphrased before being  
communicated to anyone  
other than a Governmental  
agency. (BR)

Dated April 23, 1943

Rec'd 9:28 p.m.

Secretary of State,  
Washington.

2853, April 23, 5 p.m. (SECTION THREE).

"Japan, in fact, is preparing for the defeat of  
Germany and the concentration of the Allies' forces  
against herself. And Mamoru Shigemitsu's job is to  
endeavor to pave the way for a compromise peace\*.

WINANT

WWC

## TELEGRAM RECEIVED

BEH

FROM London

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

Dated April 23, 1943

Rec'd 9:52 p.m.

Secretary of State,  
Washington.

2853, April 23, 5 p.m. (SECTION FOUR)

while admitting that considerations such as the  
above may have played a minor part in the appointment  
of Shigemitsu, a high official of the Foreign Office  
stated, in an interview with a member of my staff, that  
it was his belief the chief reason was to enable  
Shigemitsu to implement the recently inaugurated  
"liberal" policy of Japan towards the present  
Nanking regime. This policy, which has apparently been  
developed and accepted by the Tokyo Government during  
Shigemitsu's term as Ambassador to Nanking, has to  
date been evidenced by the abolition by Japan of  
"extraterritoriality", the courtesy visit of Tojo  
to Wang Ching Wei and the rendition to the Chinese  
puppet government of property taken by the Japanese  
from the British and Americans in occupied China  
since December 7, 1941.

A former member of the British Foreign service in  
Japan, now in the staff of the Ministry of Information,  
has expressed considerable alarm at the appointment of

-2- #2853, April 23, 5 p.m. (SECTION FOUR)

Shigemitsu as he believes it may induce some Chinese not now affiliated with Wang Ching Wei to join him in the belief that the Tokyo Government will now give real power to the puppets.

It is generally agreed in official circles here that Shigemitsu is a forceful personality who would not have accepted the post of Foreign Minister merely to become a tool of the army. He is known to have been an advocate of a more liberal policy towards China and it would appear that he may now have been given an opportunity to put his ideas into effect.

The possibility should not be ignored that with Shigemitsu as Foreign Minister the Japanese Government may be on the point once again of attempting to resolve the war in China, by the offer through Wang Ching Wei of comparatively liberal terms to Chu King, in order that new aggressive action can be taken against the British and American forces in the southwest pacific. However, the Foreign Office feels that the military policy of Japan is one of consolidating its present gains rather than one involving new aggressive action.

(END OF MESSAGE)

WINANT

KLP

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

# TELEGRAM RECEIVED

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

Stockholm

Dated May 5, 1943

Rec'd *7:00 PM* MAY 11 1943

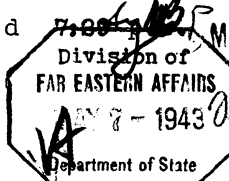
Secretary of State,  
Washington,

1464 May 5, 5 p.m.

Question of Japanese policy in China (see  
Department's 467/*793.94/17112* April 17, 10 a.m.) has been discreetly  
discussed with Chief of Political Division of Foreign  
Office who states that Swedish representative in  
Shanghai is permitted to transmit messages only  
in clear hence Swedes obtain from that source no  
information of any significance concerning  
Japanese policy there. Furthermore, Swedish  
Legation in Japan gets no useful information.

Excerpt from German newspapers and other  
publications studied by Chinese Legation here and  
copies of which have been made available to this  
Legation indicate certain trends which will be of  
interest to Department if not already received from  
other sources. As Far East is not within mandate  
of special reporting section of this Legation and  
staff as organized is inadequate for task no special  
study is made from German press.

Nevertheless



*Instruction to Lushan  
drafted May 8, 1943*

793.94/17112

PS/BJF

FILED

MAY 12 1943

*mgk*



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

-2 #1464 May 5, 5 p.m. from Stockholm

Nevertheless if information which follows is found  
not to have been submitted by other sources and  
Department desires to receive continued reports  
from German press on Far East from Stockholm,  
Chinese Minister here agrees to give this Legation  
further similar excerpts in English in future.

PLEASE INSTRUCT

JOHNSON

NPL

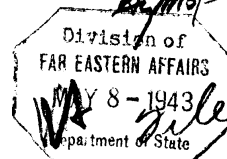
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Qualgato NARS, Date 12-18-75

HEL

Stockholm

This telegram must be  
closely **TELEGRAM-RECEIVED** May 5, 1943  
fore being communicated  
to anyone. (SC) Rec'd 10:09 p.m.

Secretary of State, FROM  
Washington.



1464, May 5, 5 p.m., (SECTION TWO)

Following items here culled from experts  
already on hand:

One. Japan has transferred some 5 million  
dollars worth of enemy property to Nanking Government.

Two. Chinese troops are used as pacification  
corps in occupied areas

Three. Japanese officials in Chinese provincial  
administrations have been recalled.

Four. Favorable treatment given soldiers  
from Chungking army, they being allowed to return  
to their homes and their officers taken into  
Nanking army.

Five. Nanking is treated as sovereign nation  
and an equal ally now that inevitable period of  
Japanese guardianship is ended.

Six. Defection is noted of Chungking Minister  
of Foreign Affairs Chen-Mu Yen and Chungking Ambassa-  
dor to Soviet Union Yen Hui Chin from Chungking  
to Nanking.

F.W. 793.94/17112

Confidential File

271  
793.94/17112

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-, #1464, May 5, 5 p.m., (SECTION TWO) from Stockholm

to Hanking.

SEVEN. Influx of Chinese businessmen  
from Hongkong to Shanghai.

(END OF MESSAGE).

JOHNSON

RR

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

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  
☒ SECRET  
☐ CONFIDENTIAL  
☐ RESTRICTED  
☐ CLEAR  
☐ AIRGRAM

"SC"

AMERICAN LEGATION,

STOCKHOLM (SWEDEN).

Reference Legation's 1464, May 5, 5 p.m.

The Department appreciates the Legation's efforts to obtain information on conditions in Japanese-occupied territories but finds that the information contained in the telegram under reference duplicates information already received through other channels. The Department therefore does not (repeat not) desire to receive continued reports from German publications. The Chinese Minister's cooperative spirit is appreciated.

Hall  
(JMB)

MAY 10 1943

FE:MWB:ALM

FE

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RECEIVED  
DEPARTMENT OF STATE  
8

Enciphered by \_\_\_\_\_

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_

793.98/17112

PS / BMB  
Confidential file

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

## HARRIS TRUST AND SAVINGS BANK

ORGANIZED AS N. W. HARRIS & CO. 1882. INCORPORATED 1907

115 WEST MONROE STREET

TELEPHONE STATE 8200

CHICAGO

January

Office of the Director  
Tel. 1111  
Date 1-29-43  
P5 1943  
Please prepare reply for  
signature of  
☒ Rec'd & necessary and take  
necessary action  
☐ For signature and suggestions  
☐ Note and forward to file

*The million  
of the State*  
Mr. Elmer Davis, Director  
Office of War Information  
Washington, D. C.

My dear Mr. Davis:

As a fellow-Hoosier, from Kokomo, I am writing you in the hope that you will properly refer this letter or that you will have some one in your department give me the answers.

About ten days ago, I was the guest at a dinner given by Mr. D. Graham Hutton, Director of the British Press Service of Chicago, in honor of Mr. Creech Jones, Parliamentary Secretary to Mr. Ernest Bevin, Minister of Labor.

During the course of the evening, our informal discussion brought out two most interesting statements by Mr. Jones. His assertions did not entirely coincide with the views of the Chicago folks. I hope that you will be able to give me the true circumstances involved in the following:

1. Mr. Jones indicated that Secretary of War Stimson, when Secretary of State in 1932, had received full support of the British Government in his plea for the invocation of the Nine-Power Treaty with reference to non-recognition of Japan's aggression in Manchukuo. Practically all of the assembled group were of the opinion that the British Government had more or less let our Government down in this instance. The attached memorandum was later mailed to each of those present as a refutation of this commonly accepted view in this country.
2. At the time Germany moved into the Ruhr in 1936 in violation of the Versailles Treaty, the French Government asked Britain for aid and Britain refused cooperative action. This Mr. Jones denied.
3. The statement was made after the meeting - not by Mr. Jones - that our State Department has been winking at a deplorable situation in the Caribbean. This had to do with our permitting Spanish tankers to enter the Dutch port of Willemstad Curacao, take a load of fuel oil to supply to German submarines patrolling the Caribbean and the western Atlantic, and return when empty without having put in at another port. It was stated that we were condoning this traffic, which was indicated to be a well-known and acknowledged fact, because of our appeasement policy toward Spain.

BUY WAR BONDS

793.94/17113

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MAY 8 1943

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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. Quatman NARS, Date 12-18-75

HARRIS TRUST AND SAVINGS BANK, CHICAGO

Mr. Elmer Davis

-2-

January 25, 1943

In view of the fact that there were quite a few prominent and important Chicagoans at the dinner, I would like very much to get the facts. Thanks for your help.

Sincerely yours,

  
Vice President

Mark A. Brown  
MB

Enclosure

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

*Mr. Hutton Davis -  
O.S.G.*



Mr. Mark Brown

*With the compliments of*  
D. Graham Hutton  
*The British Press Service*  
360 N. Michigan Avenue  
Chicago, Ill.

AS PROMISED

Correspondence in THE TIMES concerning the Stimson Note of January 7, 1932.

Letter from Sir John Pratt K.B.E., C.M.G., published in The Times (London) of November 10, 1938.

Sir,

In the message that appeared in your issue of November 5 from your Washington Correspondent he referred to the fact that

"American commentators never fail to recall that in 1931 the British Government did not "go along" with the then Secretary of State, Mr. Henry Stimson, in his desire to invoke the Nine-Power Treaty when Japan seized Manchuria."

It has occurred to me that this may be a favourable opportunity to make one more attempt to kill this myth, which has been industriously circulated on both sides of the Atlantic and which has already done infinite harm to Anglo-American relations.

There was no refusal to "go along" with Mr. Stimson. In his book, "The Far Eastern Crisis", Mr. Stimson states that in February 1932, he put forward to the British Foreign Office a proposal for a joint invocation of the Nine-Power Treaty and he adds :-

"While no explicit refusal to my suggestion was ever made I finally became convinced ... that the British Government were reluctant to join in such a démarche." In making this statement Mr. Stimson's memory has deceived him. The facts are that on receiving the draft of Mr. Stimson's proposed joint invocation the Foreign Office telephoned to Geneva a paragraph containing the non-recognition doctrine and this paragraph was embodied in the declaration issued by the twelve members of the Council on February 16, 1932. At the same time a written answer was handed to the American Embassy for transmission to Mr. Stimson stating that the British Government was most anxious to co-operate with America in this matter and that, in view of their adherence to this declaration, it was hoped that those of the League Powers who were signatories to the Nine-Power Treaty might also associate themselves with the proposed joint invocation. The Foreign Office, so far from refusing to "go along" with Mr. Stimson, did all they possibly could to further his proposal. To obtain the concurrence of several Governments in a particular draft is, however, always a cumbersome and sometimes a lengthy process. It is not in general the kind of procedure that commends itself to the State Department and Mr. Stimson preferred to drop the idea of a joint invocation and turn his draft into the letter from himself to Mr. Borah of February 24, 1932.

Even more unfortunate than Mr. Stimson's lapse of memory is his reference in this connection to sanctions. At page 161 of his book he says:-

"If a situation should ultimately arise when the American Government felt it necessary to recommend the imposition, in cooperation with the rest of the world, of an embargo on Japanese goods, I believed that such a measure would have more chance of being adopted by Congress if it were recommended following the invocation of the Nine-Power Treaty than if it had been recommended solely by the League of Nations."

It is this passage, carelessly read by the casual reader, that has given rise to the absurd belief that the United States actually proposed sanctions or strong measures to check Japanese aggression and that the British Government refused. Actually, of course, as Mr. Stimson himself makes clear, the U.S. Government were firmly opposed to sanctions. From first to last they never wavered from their attitude that the proper way of handling the dispute was to mobilize world opinion. In this attitude they were loyally supported by the British Government, who conceived that their proper role was to harmonize and co-ordinate the actions of the United States and the League. Sir John Simon accordingly exerted his great



-2-

talents to secure the adoption by the League of Mr. Stimson's doctrine of non-recognition. It was he who at the League Assembly in March 1932 drafted and proposed the Assembly Resolution adopting the doctrine. Mr. Stimson hastened to express his pleasure at this action and on August 8 in a public speech he pointed out that the refusal of America alone to recognize the fruits of aggression might be of comparatively little moment to an aggressor.

"But when the entire group of civilized nations took their stand behind the position of the American Government, the situation was revealed in its true sense. Moral disapproval, when it becomes the disapproval of the whole world, takes on significance hitherto unknown in international law. For never before has international opinion been so organized and mobilized."

Mr. Stimson in fact believed that in the non-recognition doctrine he had discovered a substitute for sacrifice, a moral force that would effectively check Japanese aggression. Unfortunately, non-recognition proved in practice a complete fiasco. Mr. Stimson's bitter disappointment is reflected in many passages in his book, but let no one believe that it was any refusal of Great Britain to support America that caused the failure of the attempt to check Japanese aggression. If non-recognition had been a success and not a fiasco, and had caused Japan to restore Manchuria, the handling by the League of the Sino-Japanese dispute in 1931-2 would have been hailed as a perfect example of what can be achieved by Anglo-American co-operation.

I am, Sir, your obedient servant,

sd. J.T. Pratt.

1. Elia Stuart  
Temple  
London, E.C.4

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

DAVID I. WALSH, MASS., CHAIRMAN  
MILLARD E. TYDINGS, MD.  
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RICHARD M. RUSSELL, GA.  
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PETER G. GERRY, R. I.  
CHARLES O. ANDREWS, FLA.  
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ALLEN J. ELLENDER, LA.  
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W. WARREN BARBOUR, N. J.  
ALEXANDER WILEY, WIS.  
RALPH O. BREWSTER, MAINE  
CHARLES W. TOBEY, N. H.  
RAYMOND E. WILLIS, ILL.

RECEIVED **United States Senate**  
DEPARTMENT OF STATE COMMITTEE ON NAVAL AFFAIRS

M. E. GALLAGHER, CLERK

9 MAY 10 AM 11 37 May 8, 1943

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

State Department  
Washington, D. C.

Gentlemen:

Division of  
FAR EASTERN AFFAIRS  
MAY 12 1943  
Department of State

RB

Reply drafted May 13

I am attaching a letter from Mr. Wilbur A. Royse, Appellate Court of Indiana, Indianapolis, Indiana, in regard to a proposal made by Secretary Hull in 1935 or 1936 to England regarding some joint action between the United States and England in Manchuria.

I would appreciate any information you can give us in order to reply to Mr. Royse.

Thanking you, I am

Very sincerely,

*Raymond E. Willis*  
Raymond E. Willis

REW:F



MAY 26 1943

PS/BMB

793.94/17114

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

COPY

APPELLATE COURT OF INDIANA  
INDIANAPOLIS

First Division  
Edgar M. Blessing, of Danville  
Paul F. Dowell, of Madison  
Wilbur A. Royse, of Indianapolis

Second Division  
Dan C. Flanagan, of Ft. Wayne  
Harry L. Crumpacker, of Michigan City  
Floyd S. Draper, of Gary

Indianapolis, Indiana

May 3, 1943

Hon. Raymond B. Willis,  
United States Senator,  
Washington, D.C.

My dear Senator:

I want to get the real facts in reference to the proposal made by Secretary Hull in 1935 or 1936 to England regarding some joint action between us and England in Manchuria, or some other matter pending in that vicinity. I have a hazy recollection that we proposed taking some positive action and England turned us down. I was wondering if it would be too much trouble for some member of your staff to get me the correct data about this matter.

I trust you are well and that the good Lord will preserve your health to carry on the great work you are doing.

Sincerely yours,

WILBUR A. ROYSE

WAR:CB

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

May 10, 1943

In reply refer to  
 FE

My dear Senator Willis:

793.94/17114

The receipt is acknowledged of your letter of May 8, 1943 with which you enclosed a letter from the Honorable Wilbur A. Royse inquiring with regard to "the proposal made by Secretary Hull in 1935 or 1936 to England regarding some joint action between us and England in Manchuria, or some other matter pending in that vicinity".

I do not recall any approach by this Government to the British Government during the years 1935 and 1936 with regard to possible joint action in Manchuria of the nature described by Judge Royse, and a brief examination of the Department's files has failed to yield any information with regard to such an approach. If Judge Royse is able to supply additional details which would aid in identifying the approach to which he refers I shall be glad to have a more exhaustive examination made of the Department's files.

As you know, in 1932 in connection with Japanese aggressive activities then being carried on in China, a suggestion was made by this Government to the British Government concerning possible diplomatic action which might be taken with special reference to the Nine Power Treaty of 1922. It is possible that Judge Royse's letter may have reference to this suggestion. A brief mention of this approach is to be found on pages 5 and 6 of the Department's publication entitled Peace and War, United States Foreign Policy, 1931 - 1941, a copy of which is enclosed. In this connection you might also wish to refer him to The Far Eastern Crisis by the Honorable Henry L. Stimson (Harper and Brothers, 1936), which is, of course, an unofficial publication. It is believed that this book may be found in most large libraries.

I am

The Honorable

Raymond E. Willis,

United States Senate.

793.94/17114

PS/3MB

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

-2-

Judge  
 I am returning J. Royse's letter to you, a copy  
 having been made for the Department's files.

Sincerely yours,

Cordell Hull

Enclosures:

1. Peace and War,  
United States  
Foreign Policy,  
1931 - 1941.
2. From Judge Royse,  
 dated May 3, 1943  
 (ret'd.)

GR

MAY 17 1943

MAY 19 1943

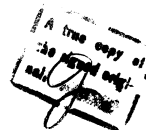
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FS/PP  
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GA  
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Eu

A-1/5  
 CS



*Handwritten signature*

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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. Shusterman NARS, Date 12-18-75

June 1 1943

In reply refer to  
793.94/17114A X

Major General Strong,

A. C. of S., G-2,

War Department General Staff,

Washington, D. C.

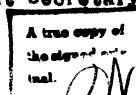
My dear General Strong:

Reference is made to your letter of April 20, 1943  
in regard to the case of Mr. Ernest Otto Hauser who is  
now in China.

For your information it may be stated that the De-  
partment is advising the American Embassy at Chungking  
that Mr. Hauser should return to the United States. You  
may desire to transmit this information to the Military  
Attache in Chungking.

Sincerely yours,

Adolf A. Berle, Jr.,  
Assistant Secretary



PD:AJN:DMN

5/27/43

793.94/17114A

PS/DAB

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

# TELEGRAM RECEIVED

FROM

Lisbon

Dated May 18, 1943

Rec'd 5:26 p.m.

RE:

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

Secretary of State,

Washington.

1085, May 18, 1 p.m.

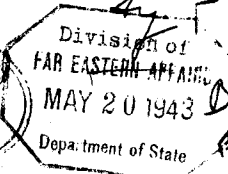
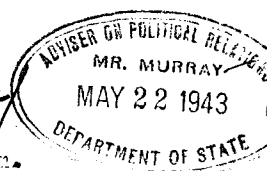
Department's 668, April 17

Having been informed by the Chinese Minister that the Japanese Minister recently approached the Portuguese Government with a request that the latter yield to Nanking certain municipal rights at Shanghai I called on May 15 at the Foreign Office which confirmed the foregoing and I accordingly left a statement marked "oral" in the sense of the Department's telegram under reference expressing the hope that the Portuguese Government would take no action against the interests of China and tending to give recognition or support to the puppet regime at Nanking.

Full report by despatch in next pouch.

FISH

INK



733.94/17115

PS/ATB

FILED

MAY 26 1943

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



LEGATION OF THE  
UNITED STATES OF AMERICA  
EUROPEAN AFFAIRS  
JUN 23 1943  
Stockholm, May 23, 1943.

No. 1728

Subject: Transmitting Excerpts from the German Press, in English, Supplied by the Chinese Legation Concerning Affairs in the Far East.

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

Division of  
EUROPEAN AFFAIRS  
JUN 18 1943

MICROFILMED AT THE  
AMERICAN LEGATION,  
STOCKHOLM, SWEDEN  
DATE MAY 10 1943

Sir:

Referring to the Legation's telegram No. 1464 May 5, 5 p.m., as of possible interest to the Department, I have the honor to forward a series of recent excerpts, in English, from the German press, supplied by the Chinese Legation concerning affairs in the Far East. As indicated in the telegram referred to above, should the Department be interested in receiving similar material in the future, the Chinese Minister states that he will be glad to supply copies to this Legation.

Respectfully yours,

Herschel V. Johnson  
Herschel V. Johnson

Enclosure:

As stated above.

File No. 711  
JSC/KM  
for microfilming

Office of the Chief Clerk  
PHOTOGRAPHIC SECTION  
JUN 11 1943  
Department of State

RECEIVED  
DEPARTMENT OF STATE  
JUN 14 AM 9 08

DIVISION OF COMMERCIAL AFFAIRS  
JUN 19 1943

JUN 25 1943

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793.94/17112  
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18/055  
18/15  
18/15  
6/15/43



Japanese shipbuilding.

Deutsche Allgemeine Zeitung 28/1 : Lieutenant-General Resuke Isogai, the Governor General of HONGKONG, declared in a press interview that the plans for shipbuilding are making good progress. Working power and material are available on the spot and need not be imported from Japan. Presently the docks concentrate on building ships fit for use in local waters. Thereafter Hongkong will fulfill its mission as a point of distribution for the south-sea areas. The first big wooden ship built at Hongkong was the "Manshu Maru" which was launched on January 6th. She is equipped with a motor and with sails. Similar types are under construction. Only two months are necessary to build such a ship. - It is reported from Djawa that a big wooden ship of teak-wood was launched at Djakarta; it was finished in 70 days.

Indo-China.

Berliner Boersen Zeitung 5/2 from Tokyo: Indo-China recently concluded an agreement with Japan stipulating that the Japanese yen shall be the currency employed in all business transactions between Indo-China and other eastern countries.- Eastern Asia is following with great interest the negotiations of the French Ambassador to Nanking-China with the Nanking minister of Foreign Affairs; it is believed that the topic of these discussions is the relinquishment of the French concessions in China.

A German report about the war-measures of the puppet governments, and a comment on the relations between Free China and Russia.

Deutsche Allgemeine Zeitung 3/2. Correspondent Herbert Tichy reports from Peking:

Many problems that have not been tackled previously are now swiftly solved in National China to make the country fully efficient for war. Rumours about conscription for military service are without confirmation, but labour service will probably be introduced; the plan seems to be that pupils of secondary and high schools will have to do labour service before they will be admitted to the last examinations.

The decision of the supreme defence council in Nanking that Chinese troops will be chiefly employed as pacification-corps in the occupied areas has relieved the Chinese population of fears lest Chinese might have to fight other Chinese. In this respect it is noteworthy that Chungking in accordance with the recently adopted slogan "War of prolonged resistance and economic struggle" has been avoiding any big clash with the Japanese troops. This may be due to Chungking wishing to avoid more sacrifices of blood for anglo-saxon interests. Stillwell and Wavell may find it difficult to get Chungking troops sent to the front in order to spare their own forces, the more so as Chiang Kai-shek does not receive the help he was promised. The equipment of Chinese troops taken prisoners or who capitulated comprises seldom arms of American origin, but consists chiefly of weapons produced in China.

Owing to Chungking's continuous efforts to transform the northwestern provinces into a new industrial and strategic centre, Chungking China's relations with the Soviet Union take increasing importance. The recent appointment of Foo Ping-chen as ambassador to Moscow is regarded as an attempt to improve the relations between Moscow and Chungking. Dr. Owen Lattimore is said to have achieved a compromise between Chungking and Moscow.

The Northern Chinese broadcasting company started a campaign to win more listeners. Presently there are 141,000 wireless listeners in Northern China which represents an increase by 54,000 during the latest months. A receiving set costs 60 dollars.

2.

Nanking

Japan transfers allied property upon the/puppet government.- Northern  
Kuinsche Zeitung 11/2 from Shanghai: CHINA

The newspaper Sinschunpao writes: "Japan has conferred more than thousand units of enemy property worth 5 million Central Reserve Bank Dollars upon the National Government, which shows how serious Japan is about helping Chinese reconstruction. This time Japan transfers upon the National Government chiefly enemy property in the heart of Shanghai and in its surroundings, such as ship-wharves, storehouses, landing grounds, works of the machine-, textile- and food industries, schools and hospitals.-

The change on the post of the president of the Northern Chinese Committee for Political Affairs is remarkable news, though it is difficult to tell where its real importance lies. The appointment of Chu-chen in the place of Wang Yi-tang in Northern China may signify a rapprochement between Peking and Nanking.

The reappearance of Chu-chen on the political stage - after having been the president of the Northern Chinese electrical trust for three years-need however not signify that he is an unconditional collaborator of Wang Ching-wei. But he is probably willing to contribute everything in the power of Northern China to the common war-effort.

Frankfurter Zeitung 19/2 : About thousand units of enemy property in China have been returned to the Chinese by the Japanese. These units include factories, landed property, buildings, hotels, warehouses, universities, ports, including the Yenching university in Peking, all big hotels in Shanghai, Ta-Tientsin and a great part of former British public property in Tientsin. The enterprises which have hitherto been under Japanese military administration are overtaken in such a way that private Japanese businessmen or capitalists retain a smaller or larger share in them. This benefits also the Chinese, not only for financial reasons, but also with regard to business-connections. It is learned from Shanghai that since last autumn a-flew-of influential Chinese businessmen have been observed to come in great numbers into the territories under the control of the National Government. Many of them were formerly on the side of Chungking and come from Hongkong.

The increase of the Japanese population.

Nya Dagligt Allehanda 22/2 cites an STB message from Tokyo:

According to recently published Japanese statistics, the Japanese population increased in 1937 by 970,000, in 1938 by 670,000, in 1940 by 920,000 and in 1941 by 1,070,000. Before the outbreak of the Sino-Japanese war the annual increase was on the average 900,000.

3.

Japan and religion.

Kölnische Zeitung 20/2 :

The Japanese authorities are paying increasing attention to political religious questions connected with political aspirations. Some weeks ago the Great Eastern Asiatic Buddhist Institute was founded in Tokyo with the purpose of studying this religion and training young priests. About simultaneously, the Turkish patriot and defender of Mohammedanism Abdurrahman Ibrahim, who is living in Tokyo, urged the Islamic nations to unite in order to vindicate their rights. Japan has since old adopted a pro-Islamic attitude and even opened a mosque in Tokyo. Foreign minister Tani recently confirmed this line of policy; declaring that the Imperial Government is sincerely sympathizing with the majority of Moslems whom the Anglo-Saxons robbed of liberty. The Chungwaihpao, the official paper of the Nanking government, discussed on February 18th the same topic referring to Tani's statement; the paper expresses the view that the policy of protecting the Mohammedans should be emphasized throughout Eastern Asia within the program of creating a new order. The Mohammedans should unite into a political entity forming a link between the new order in Europe and the new order in Asia.

New regulations about the military administration of  
the occupied southsea areas.

Deutsche Zeitung in Kroatien, February 26:

The Japanese war-ministry issued new regulations about the military administration of the occupied southsea areas. The most important principles of this administration shall be fixed by a liaison conference of Imperial headquarters and the government. The Philippines and Burma will under the joint administration of the Japanese and of the local authorities, while in the remaining southsea areas, administration is directly in the hands of the Japanese army.

Chen-yu Yen and Yen Hui Chin.

Der Neue Tag 4/3 :

The former Chungking Chinese Minister of Foreign Affairs Chen-yu Yen and the former Chungking Chinese Ambassador to the Soviet Union Yen Hui Chin have gone over to the Nanking government. This was announced by the chief of the military department of the Japanese war ministry, Kenryo Sato, in the Japanese Diet on March 1st, when he gave an account of the effects of the Japanese relinquishment of extraterritorial rights on the Chungking-regime.

has

Vichy France/relinquished extraterritoriality in China.

Kölnische Zeitung 25/2 from Shanghai:

Also France has relinquished all extraterritorial rights and privileges in China including the administrative rights in the international settlements and in the French concession of Shanghai, in the diplomatic quarter of Peking, in the international settlement of Kulangsu and in the concessions of Tientsin, Hankow and Canton. The leased territory of Kwangchowah, which was recently occupied by the Japanese, is not mentioned in this list, because it is not a concession or settlement, but is regarded as French property until the expiration of the lease. The French Ambassador Henri Cosme is presently in Nanking for a visit. At the end of January, when the first rumours about this journey being planned were circulated, it was regarded as possible

4.

that the Nanking government might be recognised by France. Up to now there is however no clear indication that France intends to adopt this attitude, unless the relinquishment of extraterritorial rights may be regarded as the first step in this direction. The putting into practice of this relinquishment will take some time with regard to the difficult questions that must be solved in connexion with it.

"Japan is pursuing a new policy in China."

Kölnische Zeitung 5/3 from Tokyo:

Japan is pursuing a new policy in China which is characterised by the treatment of Nanking as a sovereign, equal ally, while it was up to now under a sort of Japanese guardianship, which was inevitable, because Wang Ching-wei would not have been able to establish a new Chinese government without Japanese help. After Nankings declaration of war, Japan generously fulfilled her promise in returning her Chinese concessions to China and renouncing extraterritoriality. Meanwhile also the USA, Great Britain, Italy and France have followed Japan's example and thus China owes to Japan the restoration of possessions lost owing to her own weakness during a century. Simultaneously, all Japanese officials in Chinese provincial administration were recalled and the 1500 Japanese who had been active in the Northern Chinese Haimin-association were replaced by Chinese. In all fields of Chinese administration complete Chinese autonomy is thus established with the assistance of former Japanese officials. Defeated Chugking troops are treated kindly. The soldiers are allowed either to return home or to settle in Nanking territory where they are offered well-paid work. Chugking officers who agree to enter the Nanking army are swiftly promoted, as for instance Major-General Suchintung, who was promoted Lieutenant-General. This policy is excellent propaganda for the still fighting Chugking troops.

The consequences of France renouncing extraterritoriality in China.

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Following the French abolition of extraterritoriality in China, the Nanking government will be able to collect income tax, taxes on bonds and securities and industrial taxes in the territory of the French concessions. Numerous people without citizenship living in these districts have applied for Chinese citizenship, which may be due to the decree under which refugees who arrived to Shanghai after May 1937 shall be concentrated to a special region.

More details about "Japan's new policy in China".

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The parliamentary session in Tokyo is characterised by growing interest of Japanese politicians and military men for relations with National China. Aoki's declaration on February 24th that Japan is pursuing a policy of fully respecting China's sovereignty and does not intend to enrich itself by entrenching itself behind a bulwark of privileges and special rights is received with greatest interest in Chinese political circles. It is pointed out that Japan's new policy is not a temporary action, but a final constructive pace toward building a new China. The new policy ~~itself~~ comprises the following main points: 1/ a pact for mutual well-being between Nanking and Tokyo; 2/ Tokyo abstains from interfering in the administrative functions of Nanking; 3/ Chinese collaboration is based on the initiative and responsibility of Nanking.

Tokyo is expected to make certain economic sacrifices. It is obvious that China is still being regarded as the backbone of Tokyo's economic policy, despite the rich territories conquered in the southern Pacific.

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The retrocession of the Japanese concessions to the Nanking puppet government.

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An agreement was signed in Nanking on March 14th according to which all exclusively Japanese concessions, i.e. the concessions in Hanchow, Suchow, Shasi, Tientsin, Fuchow, Amoy and Chungking will be returned to China on March 30th, the third anniversary of the establishment of the National government. Roads, bridges, channels, dikes, drainages shall be conferred upon the National Government free of cost. On the other hand, the National Government pledges itself to respect existing rights and interests of the Japanese Government and Japanese subjects, their landed property as well as other property. The Chinese authorities pledge themselves to overtake the Chinese police officials and the Chinese officials of the road- and canalization administration who have been employed hitherto by the Japanese. The speaker of the Japanese Government pointed out at a special conference in Tokyo that all foreign concessions in China will have thus ceased to exist, the English and American concessions having been annulled by the development of the war and returned to the National Government; it is hoped that also the details about returning Italian and French concessions will be settled until March 30th.

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The retrocession of the concessions includes naturally also the British and American concessions which have been under Japanese military control since the outbreak of the war.

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Japan realised only quite recently that also artists have national tasks to fulfill and the duty to contribute to the war effort. The purpose of the recently founded Great-Japanese association of publicists is, to mobilise all spiritual forces for total warfare. This is perfectly new in the eastern world, because literature did there never play a similar part as a weapon in ideological contests as it did in the occident. Moreover, the writers have been called upon to fight just the Anglosaxon world, in whose world of thought the present generation of Japanese writers has its ideological roots. Fighting is to many Japanese authors like an order: "Henceforward you must hate your sweetheart, torture her, kill her". Nevertheless they must obey the order.

It is understandable that many inner conflicts arise under these circumstances and the debates in the Diet cast some sidelights on such conflicts. When the Diet dealt with the bill for a new penal law, there was a noteworthy debate about the liberty of expressing one's opinion. The deputies wished to draw clearly defined limits, while the bill, on the one hand, considerably sharpens penalties on utterances detrimental to state interests and, on the other hand, leaves a wide scope to the executive power in judging if an utterance is hostile to the state or not. The interpellators asked the Minister of Justice for two clear concessions: firstly, deputies shall be allowed to discuss with each other official measures verbatim and in writing, and if one or several deputies disapprove of a certain measure, they should be allowed to try to persuade other deputies of their own views which are opposed to the government's; secondly, also non-deputies should be granted the same right - so for instance political associations- if they present their oppositional views on occasions when no mass-audience is admitted.

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active agents and diplomats, who speak and write English better than even the Americans themselves and who possess traditional propagandist abilities. We Japanese are brave warriors, but we cannot compete with the Chinese in the art of deluding others by eloquence!

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Manchuria.

Münchener Neueste Nachrichten 21/4 Correspondent Klaus Mehnert describing a journey through Manchuria:

Especially the spiritual (mental) development of Manchuria is interesting. In Nanking there is a newly built temple surpassing in size and magnificence all new temples in China proper. It is a synthesis of Chinese and Japanese mentality. The temple is built in the style of classic Chinese tradition, but the services held in it are in honour of the Chinese and Japanese killed in fighting for ~~Manchukuo~~ Manchukuo and are celebrated according to Japanese ~~Shinto~~ Shinto-rites. When the Emperor of Manchukuo returned three years ago from his visit to Japan, he built on the premises of the Imperial palace a Shinto temple in honour of the supreme Japanese goddess Amaterasu. The veneration of Amaterasu and the Emperor's declaration one year ago that he regards Japan as the ancestor nation and Manchukuo as the descendant nation symbolised the trend to lift the relation of Manchukuo to Japan from the political-constitutional sphere to the sphere of ~~familiar~~ family relations. It is highly interesting to note that some Japanese ideologists suggest that this principle be applied also to China and that an altar to Amaterasu be erected in Nanking. Although much water will flow in the Yangtse until such ideas materialise, the suggestion in itself is important, as it constitutes a new attempt to weld the Eastern Asiatic great space into one entity not only economically and politically, but also ideologically.

It is highly satisfactory to notice the strong participation of German industries in ~~the building of Manchukuo~~ developing Manchukuo. These years electrical power stations have been built on the Sungari and Yalu with partly German machines, which almost surpass Dnieprostroj in size. Outside Mukden which has a population of 1.4 people, a giant industrial area was created in the steppes. We drove about 10 km in various directions among big and average sized factories without being able to see the boundaries of this area. Manchukuo is today one of the most important arsenals of Eastern Asia.

The Hsinminhui.

Hamburger Fremdenblatt 20/3 The Tokyo correspondent reports:

It is learned from Peking that, in accordance with the new Japanese policy in China, the majority of the Japanese members who are working in the Northern Chinese popular movement Hsinminhui are leaving their posts for other employment. In a goodbye speech to these members leaving Peking and other places, the supreme Japanese adviser Lieutenant-General Suzuki declared that the decision has been taken, with regard to the growing political power of China and the entry into the war of the National Government, to confer full responsibility for the activities of Hsinminhui upon its Chinese members.

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Tokyo - Nanking.

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The youth conference in Nanking, which was attended also by delegates from Japan and Manchukuo was described by Wang Ching-wei as a proof of the solid unity of these three nations. In appointing Wang Ching-wei honorary president, the Hainminhui manifested the gradually increased importance of Northern China Central China. Prominent Japanese scientists and representatives of cultural life are, characteristically enough, assisting the all-Chinese cultural conference in Nanking, while simultaneously Chinese, Mongolese, Manchukuo and French-Indochinese medical men are preparing to meet in Tokyo. Another sign of increasing harmony is the planned mission of Shanghai's Mayor Chen Kung-po and of the Minister of finance Chao Foo-hai to respectively Tokyo and Hsinking, and the address which the Nanking Minister of Foreign Affairs, Chu Min-yi is to give at the medical conference in Tokyo.

Nobody acquainted with the situation will deny the psychological and outward difficulties of which must be overcome before a complete success in all domains of the Great space can be achieved, but even sceptics are beginning to admit that the Nanking government has won increasing respect in consequence of the Japanese policy. The new Chinese ambassador to Tokyo, Tsai-pai, declared according to the newspaper Sinsun, that ~~the~~ he intends to discuss in Tokyo an adequate plan for sending surplus rice from the southsea islands and from Thailand to China in order to relieve the rice shortage there. Nothing is more apt to arouse the greatest interest of every individual Chinese than such a remark.

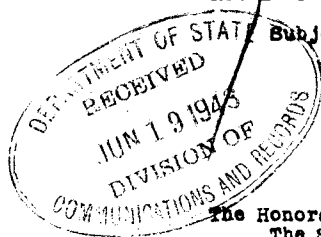
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75



LEGATION OF THE  
UNITED STATES OF AMERICA

No. 1728

Stockholm, May 7, 1943.



Subject: Transmitting Excerpts from the German Press, in English, Supplied by the Chinese Legation Concerning Affairs in the Far East.

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

MICROFILMED AT THE  
AMERICAN LEGATION,  
STOCKHOLM, SWEDEN,  
DATE MAY 10 1963

Sir:

793.94/17112.4  
Referring to the Legation's telegram No. 1464 May 5, 5 p.m., as of possible interest to the Department, I have the honor to forward a series of recent excerpts, in English, from the German press, supplied by the Chinese Legation concerning affairs in the Far East. As indicated in the telegram referred to above, should the Department be interested in receiving similar material in the future, the Chinese Minister states that he will be glad to supply copies to this Legation.

Respectfully yours,

*Herschel V. Johnson*  
Herschel V. Johnson

Enclosure: ✓

As stated above.

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FW 793.94/17116

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
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#### Japanese shipbuilding.

Deutsche Allgemeine Zeitung 28/1 : Lieutenant-General Resuke Isogai, the Governor General of Hongkong, declared in a press interview that the plans for shipbuilding are making good progress. Working power and material are available on the spot and need not be imported from Japan. Presently the docks concentrate on building ships fit for use in local waters. Thereafter Hongkong will fulfill its mission as a point of distribution for the south-sea areas. The first big wooden ship built at Hongkong was the "Manshu Maru" which was launched on January 6th. She is equipped with a motor and with sails. Similar types are under construction. Only two months are necessary to build such a ship. - It is reported from Djawa that a big wooden ship of teak-wood was launched at Djakarta; it was finished in 70 days.

#### Indo-China.

Berliner Boersen Zeitung 5/2 from Tokyo: Indo-China recently concluded an agreement with Japan stipulating that the Japanese yen shall be the currency employed in all business transactions between Indo-China and other eastern countries.- Eastern Asia is following with great interest the negotiations of the French Ambassador to Nanking-China with the Nanking minister of Foreign Affairs; it is believed that the topic of these discussions is the relinquishment of the French concessions in China.

A German report about the war-measures of the puppet governments, and a comment on the relations between Free China and Russia.

Deutsche Allgemeine Zeitung 3/2. Correspondent Herbert Tichy reports from Peking:

Many problems that have not been tackled previously are now swiftly solved in National China to make the country fully efficient for war. Rumours about conscription for military service are without confirmation, but labour service will probably be introduced; the plan seems to be that pupils of secondary and high schools will have to do labour service before they will be admitted to the last examinations.

The decision of the supreme defence council in Nanking that Chinese troops will be chiefly employed as pacification-corps in the occupied areas has relieved the Chinese population of fears lest Chinese might have to fight other Chinese. In this respect it is noteworthy that Chungking in accordance with the recently adopted slogan "War of prolonged resistance and economic struggle" has been avoiding any big clash with the Japanese troops. This may be due to Chungking wishing to avoid more sacrifices of blood for anglo-saxon interests. Stillwell and Wavell may find it difficult to get Chungking troops sent to the front in order to spare their own forces, the more so as Chiang Kai-shek does not receive the help he was promised. The equipment of Chinese troops taken prisoners or who capitulated comprises seldom arms of American origin, but consists chiefly of weapons produced in China.

Owing to Chungking's continuous efforts to transform the northwestern provinces into a new industrial and strategic centre, Chungking's relations with the Soviet Union take increasing importance. The recent appointment of Foo Ping-chan as ambassador to Moscow is regarded as an attempt to improve the relations between Moscow and Chungking. Dr. Owen Lattimore is said to have achieved a compromise between Chungking and Moscow.

The Northern Chinese broadcasting company started a campaign to win more listeners. Presently there are 141,000 wireless listeners in Northern China which represents an increase by 54,000 during the latest months. A receiving set costs 60 dollars.

2.

Nanking  
Japan transfers allied property upon the/puppet government.- Northern  
Kuinsche Zeitung 11/2 from Shanghai: CHINA

The newspaper Sinschunpao writes: "Japan has conferred more than thousand units of enemy property worth 5 million Central Reservebank Dollars upon the National Government, which shows how serious Japan is about helping Chinese reconstruction. This time Japan transfers upon the National Government chiefly enemy property in the heart of Shanghai and in its surroundings, such as ship-wharves, storehouses, landing grounds, works of the machine-, textile- and food industries, schools and hospitals.-

The change on the post of the president of the Northern Chinese Committee for Political Affairs is remarkable news, though it is difficult to tell where its real importance lies. The appointment of Chu-chen in the place of Wang Yi-tang in Northern China may signify a rapprochement between Peking and Nanking.

The reappearance of Chu-chen on the political stage - after having been the president of the Northern Chinese electrical trust for three years-need however not signify that he is an unconditional collaborator of Wang Ching-wei. But he is probably willing to contribute everything in the power of Northern China to the common war-effort.

Frankfurter Zeitung 19/2 : About thousand units of enemy property in China have been returned to the Chinese by the Japanese. These units include factories, landed property, buildings, hotels, warehouses, universities, ports, including the Yenching university in Peking, all big hotels in Shanghai, Sa-Tientsin and a great part of former British public property in Tientsin. The enterprises which have hitherto been under Japanese military administration are overtaken in such a way that private Japanese businessmen or capitalists retain a smaller or larger share in them. This benefits also the Chinese, not only for financial reasons, but also with regard to business-connections. It is learned from Shanghai that since last autumn a-flew-of influential Chinese businessmen have been observed to come in great numbers into the territories under the control of the National Government. Many of them were formerly on the side of Chungking and come from Hongkong.

The increase of the Japanese population.

Nya Dagligt Allehanda 22/2 cites an STB message from Tokyo:

According to recently published Japanese statistics, the Japanese population increased in 1937 by 970.000, in 1938 by 670.000, in 1940 by 920.000 and in 1941 by 1,070.000. Before the outbreak of the Sino-Japanese war the annual increase was on the average 900.000.~~per~~

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Japan and religion.

Kölnische Zeitung 20/2 :

The Japanese authorities are paying increasing attention to political religious questions connected with political aspirations. Some weeks ago the Great Eastern Asiatic Buddhist Institute was founded in Tokyo with the purpose of studying this religion and training young priests. About simultaneously, the Turkish patriot and defender of Mohammedanism Abdurrahman Ibrahim, who is living in Tokyo, urged the Islamic nations to unite in order to vindicate their rights. Japan has since old adopted a pro-Islamic attitude and even opened a mosque in Tokyo. Foreign minister Tani recently confirmed this line of policy; declaring that the Imperial Government is sincerely sympathizing with the majority of Moslems whom the Anglo-Saxons robbed of liberty. The Chungwaihpao, the official paper of the Nanking government, discussed on February 18th the same topic referring to Tani's statement; the paper expresses the view that the policy of protecting the Mohammedans should be emphasized throughout Eastern Asia within the program of creating a new order. The Mohammedans should unite into a political entity forming a link between the new order in Europe and the new order in Asia.

New regulations about the military administration of the occupied southsea areas.

Deutsche Zeitung in Kroatien, February 24:

The Japanese war-ministry issued new regulations about the military administration of the occupied southsea areas. The most important principles of this administration shall be fixed by a liaison conference of Imperial headquarters and the government. The Philippines and Burma will under the joint administration of the Japanese and of the local authorities, while in the remaining southsea areas, administration is directly in the hands of the Japanese army.

Chen-yu Yen and Yen Hui Chin.

Der Neue Tag 4/3 :

The former Chungking Chinese Minister of Foreign Affairs Chen-yu Yen and the former Chungking Chinese Ambassador to the Soviet Union Yen Hui Chin have gone over to the Nanking government. This was announced by the chief of the military department of the Japanese war ministry, Kenryo Sato, in the Japanese Diet on March 1st, when he gave an account of the effects of the Japanese relinquishment of extraterritorial rights on the Chungking-regime.

has  
Vichy France/relinquished extraterritoriality in China.

Kölnische Zeitung 25/2 from Shanghai:

Also France has relinquished all extraterritorial rights and privileges in China including the administrative rights in the international settlement and in the French concession of Shanghai, in the diplomatic quarter of Peking, in the international settlement of Kulangsu and in the concessions of Tientsin, Hankow and Canton. The leased territory of Kwangchow, which was recently occupied by the Japanese, is not mentioned in this list, because it is not a concession or settlement, but is regarded as French property until the expiration of the lease. The French Ambassador Henri Cosme is presently in Nanking for a visit. At the end of January, when the first rumours about this journey being planned were circulated, it was regarded as possible

4.

that the Nanking government might be recognised by France. Up to now there is however no clear indication that France intends to adopt this attitude, unless the relinquishment of extraterritorial rights may be regarded as the first step in this direction. The putting into practice of this relinquishment will take some time with regard to the difficult questions that must be solved in connexion with it.

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



LEGATION OF THE  
UNITED STATES OF AMERICA

No. 1728

Stockholm, May 7, 1943.

Subject: Transmitting Excerpts from the German  
Press, in English, Supplied by the  
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RECEIVED  
U.S. LEGATION  
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MAY 10 1943  
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The Honorable  
The Secretary of State,  
Washington, D. C.

MICROFILMED AT THE  
AMERICAN LEGATION,  
STOCKHOLM, SWEDEN.  
DATE MAY 10 1943

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*Herschel V. Johnson*

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Enclosure: *not incl. with this copy*

As stated above.

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

DEPARTMENT OF STATE  
ADVISER ON POLITICAL RELATIONS

July 22, 1943.

✓  
Mr. Secretary:

There are several interesting  
about the address by Mr. Anthony Eden made  
at the "Salute to China" meeting held in  
Royal Albert Hall on July 7, 1943.

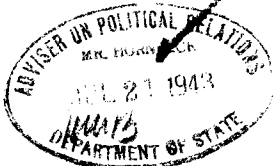
1. The fact that the Secretary of State for Foreign Affairs of the United Kingdom appeared on the program indicated.
2. The fact that the said Secretary made a lengthy address devoted almost entirely to Far Eastern, and especially Chinese matters.
3. The substance of what the said Secretary uttered: with emphasis upon British-Chinese cooperation.
4. The setup of the address: practically every paragraph consisting of a single sentence and most of the sentences being very short.

*Smith*  
PA/H:SKH:FLB

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



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA



AMERICAN EMBASSY

London, July 8, 1943

No. 10023

Subject: Speech by Mr. Eden, July 7, 1943, on  
Anniversary of Sino-Japanese War



Rating	Distribution Instructions
Grade for	25 Eu 15 PS 7/14/43

The Honorable  
The Secretary of State,  
Washington.

Sir,

I have the honor to transmit herewith the text of an address delivered yesterday by the Secretary of State for Foreign Affairs, Mr. Eden, at a public mass meeting held at the Albert Hall in London in commemoration of the seventh anniversary of the commencement of China's war against Japan.

In the course of his speech Mr. Eden declared that however close and menacing the German threat might seem to the British people, they were deeply conscious of the long account of evil-doing run up by Japan, and fully understood "that the completion of our task in Europe is only the beginning of the end". He added that "there is in our hearts a fixed and grim resolve to teach Japan once and for all the lesson that co-prosperity is not achieved by cruelty and oppression", and asserted:

"We of the British Commonwealth and Empire have a duty to our own people in the Far East who are imprisoned and enslaved by the Japanese.

"We have a duty to those territories of the British Empire which have been overrun; a duty to restore to their peoples the freedom and prosperity which they previously enjoyed and to assist in their development towards still better things.

"Finally, we have a duty towards our Allies, and in particular our Chinese Allies, to destroy the present Japanese menace in the Far East and to join in making a contribution to create a better order in which all just men may live in peace."

Respectfully yours,  
For the Ambassador:

W. J. Gallman  
First Secretary of Embassy

Enclosure:  
As stated,  
in quintuplicate

In single copy to the Department, and hectograph  
DGF:fh

Hecto sent to DCA

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

Enclosure No. 1.....to despatch No. 40223 of July 8, 1943

from the Embassy at London, England.

7/7/43 - No. 25

Speech by Mr. Anthony Eden at the "Salute to China"  
meeting, held in Royal Albert Hall, July 7, 1943:

We are met here today to pay tribute to our ally China, who now enters upon the seventh year of war against our common enemy, Japan.

It is six years <sup>today</sup> since the Japanese, by their treacherous attack on the Chinese troops near Peking, provoked the whole Chinese nation to resistance.

This was to have been a punitive expedition, short and sharp, quickly over but bringing gain and loot to the Japanese.

It was, the world was assured, a mere incident.

Now, after six years, the Japanese army, which so lightheartedly embarked on this adventure, can take note that Chinese resistance is unbroken, and that the "incident" has become merged in a world war in which China finds herself allied with the British Commonwealth of Nations, the United States of America, the Netherlands and the other United Nations.

Six years of war is a harsh and exacting ordeal for any people however brave.

We here in Britain have been at war for nearly four years, for some of that time, like China, alone; and we have suffered much.

But we have been spared the horrors of invasion by a barbaric and ruthless enemy.

For six years the armies of Japan have been murdering, pillaging and looting on Chinese soil.

Against these armies the Chinese have put up a resistance which has stirred the imagination of the world.

It is not always easy for us here to grasp the intensity and significance of the war in the East.

Living in Europe as Hitler's near neighbour, we have ever since his rise to power inevitably been pre-occupied, though not always pre-occupied enough, with the menace of Nazi Germany.

As the German gangsters developed their technique of smash and grab, we saw that, unless the process could be stopped, there must be an end of freedom, toleration and good faith between man and man.

We were perhaps slower to see that the same was true in the Far East.

The danger was more remote; but it was not less real.

The first major blow at the structure of peace which the nations had tried to build after the last war was struck by Japan.

The stark reality of Japanese aggression became plain as thrust after thrust was made against China and as Japan set out to establish her merciless sway over the eastern hemisphere.

Then suddenly, while we were hard pressed in the West, the danger came nearer still with the attack on Pearl Harbour, Malaya and the Philippines.

There followed grievous disasters, terrible in their extent and unexpected in their swiftness: Malaya, Singapore, the Philippines, the Dutch East Indies, Burma and much else beside.

We are now sharing China's experience. Fully engaged at the side of our Chinese allies, we were learning what they had learnt of Japanese perfidy and brutality.

Australia and India found themselves face to face with a threat whose deadly nature none could deny.

/And

- 2 -

And so with increasing force it was borne in upon all that present-day Japan, like Nazi Germany, does, in stark reality, represent the forces of evil.

Japan has run up a long account, a very long account, of evil-doing; and that account must and will be settled.

These thoughts lie deep in the consciousness of every one of us in this country, however close and menacing the German scourge may be.

It is natural that the momentous happenings of recent months and the sense of greater things to come should be foremost in our minds.

But there is, I can assure Your Excellency, a full understanding that the completion of our task in Europe is only the beginning of the end.

There is in our hearts a fixed and grim resolve to teach Japan once and for all the lesson that co-prosperity is not achieved by cruelty and oppression and that he who draws the sword shall perish by it.

We of the British Commonwealth and Empire have a duty to our own people in the Far East who are imprisoned and enslaved by the Japanese.

We have a duty to those territories of the British Empire which have been overrun; a duty to restore to their peoples the freedom and prosperity which they previously enjoyed and to assist in their development towards still better things.

Finally, we have a duty towards our allies, and in particular our Chinese allies, to destroy the present Japanese menace in the Far East and to join in making a contribution to create a better order in which all just men may live in peace.

We can never forget that to preserve order and to maintain definite standards of civilised international intercourse is as vital to this country in the East as in the West.

All other considerations apart, it is clear that, without such order and such standards, the peaceful development of commerce, which has always been the chief interest of British policy in the Far East, is impossible.

Without such conditions there can be none of that two-way traffic between East and West which can bring to both sides enduring benefits.

I have no doubt that our united efforts will bring about the defeat of Japan.

But we in this country have no illusions about the magnitude of the task involved.

For the defeat of Japan, if it is to lead to lasting peace, means not only the physical defeat of her armed forces, which in itself will involve no mean effort, but also the defeat of those ideas which for more than a decade have been cultivated in the minds of the Japanese by their militarist leaders to the exclusion of everything that is reasonable and humane.

To those leaders Japan is indebted for the suppression of so-called "dangerous thoughts"; by which significant expression they mean all liberal tendencies and any trend which might lead the Japanese people away from the militarist programme of shameless aggression and exploitation.

To those leaders again Japan is indebted for the creation of a police force and gendarmerie which rival the Gestapo in barbarity.

These evils flourish today, and so thorough has been the eradication of sane thought that the Japanese armed forces, representing as they do all classes of the nation, fight in the blasphemous conviction that they are inspired by some divine spirit in their orgies of destruction and slaughter.

/We are

- 3 -

We are committed to the destruction of those forces and we shall destroy them.

It would be wrong to divorce in our minds the battles which we and our allies are fighting in the West from the battles which we and our allies are fighting in the East.

War, like peace, is indivisible.

The recent successes of the Chinese army play their part in the common struggle, just as the successes which have crowned our arms in North Africa brought aid and must have brought hope to our sorely-tried allies in the East.

In Europe the tide of aggression is ebbing.

Our great bomber offensive is only the prelude to heavier blows.

Every thrust against the Axis in Europe brings us nearer to the day when the full force of the United Nations can be brought to bear against Japan.

Already the long accumulated weight of Allied power has forced open the gates of the Mediterranean, and I can assure our Chinese friends that the day will come when, its work in Europe done, that Allied power will flow eastwards and overwhelm the Empire of Japan.

The war in the Far East has thus far fallen into three phases, first, a swift and deadly Japanese advance; secondly, desperate defence by the Allied nations, which preserved the bases from which a counter attack could be launched; and thirdly, the beginnings of that counter attack, which have already won victories holding promise of better things to come.

So it is that a new hope begins to rise in the hearts of those peoples now experiencing the benefit of the Japanese "Co-prosperity sphere".

Those of them, if any there were, who put faith in Japanese promises of co-prosperity have already learnt their lesson.

The unhappy Koreans, for example, could speak perhaps more eloquently than any other people of the blessings of Imperial Japanese rule.

It is a curious fact that, as Japan's power and prospects begin to dwindle, she begins to abound in glittering promises of independence for the miserable peoples whom she has overrun, whose economies she has ruined and whose function is now only to supply and support the Japanese war machine.

I should hardly be surprised if these peoples were to scrutinize these Japanese promises somewhat closely, in view of Japan's record.

To those peoples who have hitherto lived under the flags of Great Britain and other freedom-loving nations, I send the assurance that the British people will not slacken for one moment in its effort until their liberation has been secured.

As to the future of operations in the East, this is neither the time nor the place to make any detailed forecasts.

But this assurance I wish to give: the re-opening of communications with China remains a prime allied objective.

I take this occasion to repeat the words used by the Prime Minister in his address to the Congress of the United States this year - "I regard," he said "the bringing of effective and immediate aid to China as one of the most urgent of our common tasks".

It merely remains for me to say that our determination to send aid to China is not limited by any political or financial considerations, but by physical problems alone.

/The

- 4 -

The task of finding and organizing alternative routes to supplement the air route has fallen largely upon us.

We are doing our utmost to meet it.

Apart from earlier credits which we have made to China we have extended lend-lease facilities to her.

Such facilities cover arms, ammunition, military equipment, military freight, payment of Chinese troops in India and so forth.

In short, we can say that wherever it is possible for China to obtain in the sterling area the supplies which she needs for waging our common war against Japan, there has been and will be no financial obstacle, still less any political obstacle.

Another way in which we are helping the Chinese is by supplying British experts of technical subjects. This is a field of activity which we hope to expand shortly.

There is another aspect of Anglo-Chinese co-operation of which nothing has as yet been made public.

We have gladly met the requests of the Chinese Government for facilities for the training in this country of large numbers of research students and of young Chinese wishing to undergo practical training in the engineering and other trades.

The British Council have granted a number of scholarships, tenable in British Universities, to postgraduate research students and many of these are already here.

Several eminent British scientists and scholars are in China under the auspices of the British Council lecturing and establishing close relations with academic and scientific circles.

We wish to collaborate with the Chinese Universities in their efforts to increase the teaching of English and of British discoveries and technique, and we hope to welcome soon over here Chinese who are prominent in various fields of activity and who will help us to improve our knowledge of their great country.

And here I should like to pay a tribute to the magnificent work of private organisations in this country directed to the relief of distress and suffering in China.

I refer in particular to the organisations comprised in the United Aid to China Fund and to the Joint War Organisation of the British Red Cross and the Order of St. John.

The United Aid to China Fund started its appeal to the public one year ago to-day under the presidency of Lady Cripps.

It had been intended that the appeal should run for three months, but such was the response from the public that it was decided to continue this combined effort indefinitely while the need lasted.

Up to date the Fund has collected close on £700,000 and the proceeds are already being handed over to Madame Chiang Kai-shek in instalments to be distributed where the need is greatest.

Under the auspices of the Fund several hundred Sino-British groups have been set up in this country ranging from St. Ives to Caithness and from Belfast to Folkestone.

In addition to being a party to the United Aid to China Fund, the Joint War Organisation of the British Red Cross and St. John has recently decided to establish a Red Cross Commission in China and to extend considerably their humanitarian activities there.

Their work for the first year will cost not less than a quarter of a million pounds and as the need grows, I am told that more will be forthcoming.

Through the means of these excellent and impressive activities of private bodies, the individual citizen of this country has an opportunity of expressing to China his personal sympathy and admiration.

I look on this as of the utmost value for the future of Anglo-Chinese relations, for it means that the people of the one country are directly helping and succouring the people of the other.

/Direct

- 5 -

Direct personal contacts between large numbers of the inhabitants of this island and large numbers of the inhabitants of China are difficult to achieve. Perhaps they will become easier in a much shorter space of time than we now imagine.

In the meantime such visits as we can exchange in the present difficult circumstances have a special value. A notable contribution to Sino-British relations was made by the recent visit to China of our Parliamentary Mission, one of whose members has spoken to us tonight. They were able to learn much, at first hand, of conditions in China, and were able, in return, to give a picture of Great Britain at war to their Chinese hosts.

It is superfluous to add that they were everywhere received with that hospitality which is one of the most deep-rooted and most engaging characteristics of the Chinese.

I am glad to say that we hope shortly to be able to repay some of this hospitality, on the occasion of the visit of a Chinese goodwill mission to England.

Meanwhile, in two weeks' time it will be our privilege to have among us as our guest Dr. T.V. Soong, the Chinese Minister for Foreign Affairs, who has lately been in the United States of America.

Dr. Soong may be assured of a warm welcome by the Government and people of this country.

I must take this opportunity to tell the Chinese Ambassador with what deep gratitude we noted the part he took in recently welcoming our Parliamentary Delegation to China. He is an Ambassador in the best sense of the term in that he has a deep knowledge and a convinced friendship for both our countries.

This brings me to the general subject of the future of Anglo-Chinese relations, viewed in an altogether larger sphere of space and time.

Although we have had our troubles in the past, like most countries, there are very real reasons why we and the Chinese should be friends, now and always.

This year has indeed seen one very important historic step forward in the improvement of our mutual relations. I refer of course to the abolition of extra-territoriality, and the simultaneous signature of Anglo-Chinese and American-Chinese treaties.

With the passing of the old treaties, China and Great Britain now stand on that footing of perfect equality and reciprocity which must be the basis of any real and lasting friendship.

We can henceforward work together, in war or in peace, unhampered by reservations that are a legacy of times past.

From time to time our enemies suggest, either to China or to ourselves, that Great Britain does not wish to see China strong.

Such suggestions are no doubt intended to be mischievous. They are in fact ludicrous, and I am sure that our Chinese friends are the first to resent them.

The truth is that the interest of the British Empire has always lain in the existence of a strong and united China.

So it has been in the past, so it will be in the future. Without a strong and united China there is no prospect of lasting stability in the Far East.

When the present struggle with Japan is at an end we shall all be faced with vast problems of reconstruction.

We shall be concerned to secure a lasting peace in Far Eastern lands.

It is obvious that whatever plans are devised to bring this about, China must play a leading part.

It is equally clear that friendship between the British Commonwealth and Empire, the United States of America, China and the Soviet Union must be the foundation of any such peace.

/Just

- 6 -

Just as we contemplate collective arrangements in the West to maintain an orderly development of civilised life, so in the East we shall need to build up a collective system of security.

To that system the United Nations, and especially China and all those nations directly concerned in the Far East, will each have contributions to make.

But before we can build the peace we have to win the war.

We are now witnessing the Second Act of this stupendous tragedy.

In the First Act the powers of evil were everywhere triumphant, and it seemed hard to believe that they could do other than win in the end.

In the Second Act they are being hurled back, and ever stronger reinforcements are being brought to bear against them.

In the Third Act the wheel will have swung full circle, and they will be driven finally from the stage which they have held so long.

We can all see that this will be the end of the story.

But that is not enough.

We must also pledge ourselves to see to it that this story shall never be enacted again.

Twice in our life-times the powers of darkness have threatened to overwhelm us.

This time their defeat must be final.

Just as we all here are determined, no matter from whence we come, from the West or from the East, to batter our common enemies, wherever they be, into unconditional surrender; so let us all dedicate ourselves to the task, which will one day be ours, of making real that great message which has been turned into a mockery by our enemies :-

Peace on earth and goodwill towards men.

++++++

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

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AMERICAN EMBASSY,

MADRID (SPAIN).

881

STRICTLY CONFIDENTIAL.

Washington,  
April 8, 1943.

SC

In recent weeks there has been apparent an increased em-

phasis in Japanese propaganda on a QUOTE new policy UNQUOTE

toward occupied China which has been coincident with various

developments, including Premier Tojo's visit to Nanking and

announcement of the conclusion of arrangements between the Japa-

nese Government and the Nanking régime for the handing over to

that régime of Japanese concessions in China, which indicate

that the Japanese are in fact, as they have announced, devot-

ing intensive efforts to the strengthening of the Nanking régime

politically, economically, and in other ways.

As the Spanish Government recognized the Nanking régime

in July 1941 it is to be assumed that any negotiations for the

relinquishment of Spanish extraterritorial rights in China will

be conducted with the Nanking régime regardless of any demarche

which this Government might make vis-à-vis the Spanish Govern-

ment in the matter. The Department accordingly feels that the

lodging of a protest with the Spanish Government against such

contemplated action ~~would~~ not be productive. However, it is

Enciphered by \_\_\_\_\_

believed

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_

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

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\$ believed that, as a measure of support to the Chinese Government, it would be desirable for you, unless you perceive objection, to inform appropriate Spanish officials orally and informally of this Government's attitude toward the Nanking regime and toward the legitimate Chinese Government as set forth in the Department's statement to the press on this subject of March 30, 1940. This Government continues in that attitude and will continue to aid the Chinese Government in every practicable way until the victory over Japan is won.

Incidentally, the Department would like to have the benefit of such information, with indication of the source and the Embassy's estimate of its reliability, as you may be able discreetly to obtain in Madrid in regard to the measure of success the Japanese are considered to be achieving in their efforts to consolidate their own position and that of their Chinese puppets in the occupied areas of China. In endeavoring to obtain such information, precaution should, of course, be exercised to avoid giving any impression that this Government is unduly concerned in regard to Japan's QUOTE new policy UNQUOTE toward occupied China.

The following comment may be helpful in discussions which may arise of Japan's QUOTE new policy UNQUOTE in China:

Enciphered by \_\_\_\_\_

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_

7078

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

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Protestations of an enlightened policy by some of Japan's  
leaders have not been in the past, and cannot be expected in  
the future to be, followed by any fundamental deviation from  
Japan's basic program. That program is designed to put Japan  
and the Japanese people in a place of preference and privilege  
over all peoples under their control and to exclude the  
legitimate interests of all peoples except Japanese. The  
Japanese who in fact administer QUOTE Greater East Asia UN-  
QUOTE hold to that program. In Formosa, Korea, and Manchuria,  
native cultures are ruthlessly uprooted or QUOTE Japanized  
UNQUOTE, native peoples are forced to remain socially and  
economically subordinate to their masters, and peoples of  
other countries are accepted on sufferance and only for what-  
ever contributions the Japanese believe valuable. The policy  
of brutalism and pillage having failed miserably after five  
years of wanton play in China, Japan now finds it expedient,  
for the moment, to put forward a new front under the guise  
of a QUOTE soft UNQUOTE policy. Japan hopes, through bribes  
inexpensive to itself but superficially attractive to local  
opportunists, to foster civil war in China, to obtain mili-  
tary aid and economic cooperation from bribed Chinese, to  
play upon racialism and to convert peoples of the Far East to  
Enciphered by \_\_\_\_\_ a program  
Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_

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a program of QUOTE Asia for Asiatics UNQUOTE, and thus to be enabled to divert more Japanese forces to the defensive perimeter and to free more Japanese to engage in exploitation of QUOTE Greater East Asia UNQUOTE. Long-term observation of their policies and practices shows that the fundamental purpose of Japan's leaders is to rule and to exploit. Those leaders make concessions as matters of expediency but they yield nothing permanently the giving up of which could in the long run interfere with their objective of absolute domination. No one should be deceived by or should rely on their resort to apparently conciliatory devices. Sooner or later they discard such temporary expedients and revert to the characteristic features and methods of their program of conquest and rule.

*Full*  
*S.M.*

*MWB*  
Enciphered by FE: MWB/GA:MS

*RB* *P.S.*  
FE

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Sent by operator M., 19 45

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Washington,  
April 8, 1943.

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\$ AMERICAN LEGATION,

BERN (SWITZERLAND).

915  
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In recent weeks there has been apparent an increased emphasis in Japanese propaganda on a QUOTE new policy UNQUOTE toward occupied China which has been coincident with various developments including Premier Tojo's visit to Nanking and announcement of the conclusion of arrangements between the Japanese Government and the Nanking régime for the handing over to that régime of Japanese concessions in China, which indicate that the Japanese are in fact, as they have announced, devoting intensive efforts to the strengthening of the Nanking régime politically, economically, and in other ways.

The Japanese radio has recently broadcast a report under a Zurich dateline stating that the Swiss Government on April 2 announced a decision to relinquish extraterritorial rights in China in the near future. Please telegraph the Department any information which the Legation may be able to obtain in regard to this report.

The Department would be very much surprised if any Japanese efforts to induce the Swiss Government to deal with the Nanking régime should be successful. However, if you have any reason to believe that the Swiss Government is considering taking such action, the Department believes that as a measure of support of the legitimate Chinese Government it would be desirable for you, unless you perceive objection,

Enciphered by

Sent by operator

M.,

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\$ to express to appropriate Swiss officials this Government's hope that the Swiss Government will not take any action against the interest of China tending to give support or recognition to the Nanking puppet regime and to express to Swiss officials orally and informally this Government's attitude toward the Nanking regime and toward the legitimate Chinese Government as set forth in the Department's statement to the press on this subject of March 30, 1940. This Government continues in that attitude and will continue to aid the Chinese Government in every practicable way until the victory over Japan is won.

~~Incidentally, the Department would like to have the benefit of such information, with indication of the source and the Legation's estimate of its reliability, as you may be able discreetly to obtain in Bern in regard to the measure of success the Japanese are considered to be achieving in their efforts to consolidate their own position and that of their Chinese puppets in the occupied areas of China. In endeavoring to obtain such information, precaution should, of course, be exercised to avoid giving any impression that this Government is unduly concerned in regard to Japan's QUOTE new policy UNQUOTE toward occupied China.~~

The following comment may be helpful in discussions which

Enciphered by \_\_\_\_\_

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_,

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Charge to

\$ may arise of Japan's QUOTE new policy UNQUOTE in China:

Protestations of an enlightened policy by some of Japan's leaders have not been in the past, and cannot be expected in the future, to be followed by any fundamental deviation from Japan's basic program. That program is designed to put Japan and the Japanese people in a place of preference and privilege over all peoples under their control and to exclude the legitimate interests of all peoples except Japanese. The Japanese who in fact administer QUOTE Greater East Asia UNQUOTE hold to that program. In Formosa, Korea, and Manchuria, native cultures are ruthlessly uprooted or QUOTE Japanized UNQUOTE, native peoples are forced to remain socially and economically subordinate to their masters, and peoples of other countries are accepted on sufferance and only for whatever contributions the Japanese believe valuable. The policy of brutalism and pillage having failed miserably after five years of wanton play in China, Japan now finds it expedient, for the moment, to put forward a new front under the guise of a QUOTE soft UNQUOTE policy. Japan hopes, through bribes inexpensive to itself but superficially attractive to local opportunists, to foster civil war in China, to obtain military aid and economic cooperation from bribed Chinese, to

Enciphered by \_\_\_\_\_

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_, \_\_\_\_\_

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## TELEGRAM SENT

## Department of State

-3-

Washington,

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

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TELEGRAM SENT  
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 - 4 -

Washington.

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play upon racialism and to convert peoples of the Far East to a program of QUOTE Asia for Asiatics UNQUOTE, and thus to be enabled to divert more Japanese forces to the defensive perimeter and to free more Japanese to engage in exploitation of QUOTE Greater East Asia UNQUOTE. Long-term observation of their policies and practices shows that the fundamental purpose of Japan's leaders is to rule and to exploit. Those leaders make concessions as matters of expediency but they yield nothing permanently the giving up of which could in the long run interfere with their objective of absolute domination. No one should be deceived by or should rely on their resort to apparently conciliatory devices. Sooner or later they discard such temporary expedients and revert to the characteristic features and methods of their program of conquest and rule.

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

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AMERICAN LEGATION,

STOCKHOLM (SWEDEN).

467

STRICTLY CONFIDENTIAL

Washington,  
April 8, 1943.  
10 am  
This cable was sent in confidential Code.  
It should be kept confidential before  
being communicated to anyone.  
SC

In recent weeks there has been apparent an increased emphasis in Japanese propaganda on a QUOTE new policy UNQUOTE toward occupied China which has been coincident with various developments, including Premier Tojo's visit to Nanking and announcement of the conclusion of arrangements between the Japanese Government and the Nanking régime for the handing over to that régime of Japanese concessions in China, which indicate that the Japanese are in fact, as they have announced, devoting intensive efforts to the strengthening of the Nanking régime politically, economically, and in other ways.

As far as Sweden is concerned, it is the Department's understanding that the Swedish Government has under consideration initiating negotiations with the Chinese Government at Chungking looking to the relinquishment of Swedish extraterritorial rights in China. ~~There would accordingly seem to be no need at this time of any approach to the Swedish Government in regard to that particular matter.~~ As regards the general question of what

success

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Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_

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PSY/BMB

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

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Department of State

-2-

Washington,

Charge to

\$ success the Japanese are considered to be achieving in their efforts to consolidate their own position and that of their Chinese puppets in the occupied areas of China, the Department would like to have the benefit of such information on that subject, with indication of the source and the Legation's estimate of its reliability, as you may be able discreetly to obtain in Stockholm. In endeavoring to obtain such information, precaution should, of course, be exercised to avoid giving any impression that this Government is unduly concerned in regard to Japan's QUOTE new policy UNQUOTE toward occupied China.

The following comment may be helpful in discussions which may arise of Japan's QUOTE new policy UNQUOTE in China:

Protestations of an enlightened policy by some of Japan's leaders have not been in the past, and cannot be expected in the future, to be followed by any fundamental deviation from Japan's basic program. That program is designed to put Japan and the Japanese people in a place of preference and privilege over all peoples under their control and to exclude the legitimate interests of all peoples except Japanese. The Japanese who in fact administer QUOTE Greater East Asia UNQUOTE hold to that program. In Formosa, Korea, and Manchuria,

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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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- 3 -

*Washington,*

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\$ native cultures are ruthlessly uprooted or QUOTE Japanized UNQUOTE, native peoples are forced to remain socially and economically subordinate to their masters, and peoples of other countries are accepted on sufferance and only for whatever contributions the Japanese believe valuable. The policy of brutalism and pillage having failed miserably after five years of wanton play in China, Japan now finds it expedient, for the moment, to put forward a new front under the guise of a QUOTE soft UNQUOTE policy. Japan hopes, through bribes inexpensive to itself but superficially attractive to local opportunists, to foster civil war in China, to obtain military aid and economic cooperation from bribed Chinese, to play upon racialism and to convert peoples of the Far East to a program of QUOTE Asia for Asiatics UNQUOTE, and thus to be enabled to divert more Japanese forces to the defensive perimeter and to free more Japanese to engage in exploitation of QUOTE Greater East Asia UNQUOTE. Long-term observation of their policies and practices shows that the fundamental purpose of Japan's leaders is to rule and to exploit. Those leaders make concessions as matters of expediency but they yield nothing permanently the giving up of which could in the long run interfere with their objective of absolute domination. No one should be deceived by or should rely on their resort to apparently

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Department of State letter, August 10, 1972  
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- 4 -

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conciliatory devices. Sooner or later they discard such  
temporary expedients and revert to the characteristic features  
and methods of their program of conquest and rule.

Hull  
S. H.

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

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Department of State

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PARTIAL

SC

Washington,  
April 8, 1943.

10 am

AMERICAN LEGATION,

LISBON (PORTUGAL).

668

STRICTLY CONFIDENTIAL

In recent weeks there has been apparent an increased emphasis in Japanese propaganda on a QUOTE new policy UNQUOTE toward occupied China which has been coincident with various developments, including Premier Tojo's visit to Nanking and announcement of the conclusion of arrangements between the Japanese Government and the Nanking régime for the handing over to that régime of Japanese concessions in China, which indicate that the Japanese are in fact, as they have announced, devoting intensive efforts to the strengthening of the Nanking régime politically, economically, and in other ways.

While the Department has not received any indication that the Portuguese Government intends to deal directly with the Nanking régime in regard to the question of Portuguese extra-territorial rights in China, or in regard to other Sino-Portuguese questions, it is believed that, as a measure of support of the Chinese Government it would be desirable for you, unless you perceive objection, to express to appropriate Portuguese officials this Government's hope that the Portuguese

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Government

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

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Government will not take any action against the interests of China tending to give support or recognition to the Nanking puppet regime and to express to Portuguese officials orally and informally this Government's attitude toward the Nanking regime and toward the legitimate Chinese Government as set forth in the Department's statement to the press on this subject of March 30, 1940. This Government continues in that attitude and will continue to aid the Chinese Government in every practicable way until the victory over Japan is won.

Incidentally, the Department would like to have the benefit of such information, with indication of the source and the Legation's estimate of its reliability, as you may be able discreetly to obtain in Lisbon in regard to the measure of success the Japanese are considered to be achieving in their efforts to consolidate their own position and that of their Chinese puppets in the occupied areas of China. In endeavoring to obtain such information, precaution should, of course, be exercised to avoid giving any impression that this Government is unduly concerned in regard to Japan's QUOTE new policy UNQUOTE toward occupied China.

The following comment may be helpful in discussions which may arise of Japan's QUOTE new policy UNQUOTE in China:

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Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_

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

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- 3 -

*Washington,*

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Protestations of an enlightened policy by some of Japan's leaders have not been in the past, and cannot be expected in the future to be, followed by any fundamental deviation from Japan's basic program. That program is designed to put Japan and the Japanese people in a place of preference and privilege over all peoples under their control and to exclude the legitimate interests of all peoples except Japanese. The Japanese who in fact administer QUOTE Greater East Asia UNQUOTE hold to that program. In Formosa, Korea, and Manchuria, native cultures are ruthlessly uprooted or QUOTE Japanized UNQUOTE, native peoples are forced to remain socially and economically subordinate to their masters, and peoples of other countries are accepted on sufferance and only for whatever contributions the Japanese believe valuable. The policy of brutalism and pillage having failed miserably after five years of wanton play in China, Japan now finds it expedient, for the moment, to put forward a new front under the guise of a QUOTE soft UNQUOTE policy. Japan hopes, through bribes inexpensive to itself but superficially attractive to local opportunists, to foster civil war in China, to obtain military aid and economic cooperation from bribed Chinese, to play upon racialism and to convert peoples of the Far East to a program of

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

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AIRGRAM

QUOTE Asia for Asiatics UNQUOTE, and thus to be enabled to divert more Japanese forces to the defensive perimeter and to free more Japanese to engage in exploitation of QUOTE Greater East Asia UNQUOTE. Long-term observation of their policies and practices shows that the fundamental purpose of Japan's leaders is to rule and to exploit. Those leaders make concessions as matters of expediency but they yield nothing permanently the giving up of which could in the long run interfere with their objective of absolute domination. No one should be deceived by or should rely on their resort to apparently conciliatory devices. Sooner or later they discard such temporary expedients and revert to the characteristic features and methods of their program of conquest and rule.

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

Copy for Department of State.

July 7, 1943.



MEMORANDUM CONCERNING CHINESE RELATIONS

This being the sixth anniversary of the Japanese attack on China,  
I this morning called on the Chinese Consul General and payed my respects  
to him and members of his colony gathered at the Consulate to observe  
the day.

*Harold L. Williamson*  
Harold L. Williamson  
American Consul General.

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*file*

PS/EMB  
JUL 16 1943

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

THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA  
AMERICAN CONSULATE GENERAL  
Guayaquil, Ecuador

REGISTERED No. B  
CONSULATE GENERAL, GUAYAQUIL

THE HONORABLE  
THE SECRETARY OF STATE,  
WASHINGTON, D. C.

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DIVISION OF  
COMMUNICATIONS  
AND RECORDS

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

## CROSS-REFERENCE FILE

### NOTE

**SUBJECT** Address made by Ellis O. Briggs at Anfiteatro de  
La Habana on Sixth Anniversary of Chinese Resistance  
to Japanese Aggression:

Transmitting copy - together with newspaper clippings.

For the original paper from which reference is taken

See #3759

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

Dated July 10, 1943

From Cuba  
(Briggs)

File No. 123 B 764/268

U. S. GOVERNMENT PRINTING OFFICE 1-1040

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

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## CROSS-REFERENCE FILE

### NOTE

**SUBJECT** Review of Press on Far Eastern Affairs,  
July 1 - July 15, 1943.

Submits -.

For the original paper from which reference is taken

See #10188  
(Despatch, telegram, instruction, letter, etc.)

Dated July 19, 1943 From Great Britain (Gallman)  
~~Text~~

File No. 740.0011 Pacific War/3355.

U. S. GOVERNMENT PRINTING OFFICE 1-1640

793.94/17121 PS/ATB

17121

793.94/

## CROSS-REFERENCE FILE

### NOTE

**SUBJECT** Speech broadcast from London last night by Dr.  
T.V. Soong Chinese Foreign Minister, regarding  
China's long and bitter struggle against the  
Japanese invader and China's plans and ambitions  
after the war.

Submits comments regarding -.

793.94/17122

For the original paper from which reference is taken

See Tel. #5220  
(Despatch, telegram, instruction, letter, etc.)

Dated Aug. 9, 1943 From Great Britain  
Txxx (Minent)

File No. 740.0011 Pacific War/3372.

FS/RGB

17122

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

GJB

PLAIN

London

Dated August 9, 1945

Rec'd 3:40 p.m.

Secretary of State

Washington

5220 Ninth

Full accounts of the speech broadcast from London last night by Dr. T. V. Soong, Chinese Foreign Minister, as the postscript to the regular nine o'clock news bulletin of the B B C are carried in many of the leading newspapers today. These reports feature Dr. Soong's moving description of China's long and bitter struggle against the Japanese invader and underline the views expressed by the Foreign Minister on China's plans and ambitions after the war.

So far only two papers, the NEWS-CHRONICLE and the DAILY TELEGRAPH, have commented editorially on the broadcast. The comments of these two papers are very frank and complimentary in tone.

Sr. Soong's talk, in the opinion of the NEWS-CHRONICLE, "will have served its purpose if it has reminded us-as from time to time we need to be reminded-that the United Nations is primarily a partnership not of three great nations but of four". Speaking of Britain's efforts to assist China, the

NEWS-CHRONICLE

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-2- #5220, August 9, from London

NEWS-CHRONICLE stated: "Britain has done all too little to help her. To begin with, we deliberately stood aside and let the aggressor ravage China. Then when we in turn became the victims of aggression, it was too late: we were unable to spare her effective aid. But at least we realize now what solid reasons there are for stressing the paramount importance of China's part in the war. The first reason is purely military. When the Axis has been finally pulverized in Europe, the allies must bend all their energies to the subjugation of Japan. This task cannot be accomplished without the cooperation of the Chinese. Her eastern provinces will become the springboard from which the final assault is made. The mainland must be cleared of the invader and to this end we must do all we can now to make China's resistance effective and to speed up the closing stages of the war. We must hasten to reopen the Burma Road and so to make possible the overland transit to China of the planes, tanks and artillery of which she has so long been in need. But there is another and more far-reaching reason why it matters profoundly that the Chinese people should be fully associated

-3- #5220, August 9, from London

associated with the Allies' plans. China is the largest single political entity in the world. Within her boundaries dwell nearly one-fourth of the human race. What validity can plans for the world's future have if they are not related to China's needs and aspirations?"

Referring to Dr. Soong's assurance of the willingness of the Chinese to do their part in the future particularly in developing their agriculture and industry and raising their material standards of existence, the editorial states in conclusion: "here is a program which is just as important to the rest of the world as it is to the Chinese. Peace cannot be maintained when the war is over if there is serious economic friction, and economic friction there is bound to be while there is serious economic inequality. Self-interest, as well as our plain duty to China, demands that her immediate and future needs should be plainly recognized and that nothing should stand in the way of our doing everything in our power to satisfy them".

In a brief editorial entitled "Renaissant China" the DAILY TELEGRAPH writes: "for China reconstruction will mean much more than repairing ravages of war.

It will mean



-4- 35220, August 9, from London

It will mean a total transformation of her economic life in a grand effort to lift the standard of living of her teeming millions from the deep poverty in which they have languished for centuries. To achieve it she must rely on the generous aid of the United Nations in improving her agriculture and establishing the foundations of industry. Among their many pre-occupations in restoring a shattered world that is one which Great Britain and the United States especially will recognize as meriting a high priority".

WILLIAM

WAC

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



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DEPARTMENT OF STATE  
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No. 1628.

EMBASSY OF THE  
UNITED STATES OF AMERICA  
Chungking, September 27, 1943

Subject: Conditions in Manchuria as reported  
by Ministry of Information.

DIVISION OF  
ECONOMIC STUDIES  
DEC - 3 1943  
DEPARTMENT OF STATE

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

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Division of  
Far Eastern Affairs  
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Department of State

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Sir:

I have the honor to enclose a copy of an article appearing September 18, 1943 in the China Information Committee Daily Bulletin, issued by the Ministry of Information, in regard to conditions in Manchuria and based on statements attributed to Mr. Mo Teh-hui, member of the presidium of the People's Political Council and chairman of the Northeast National Salvation Association in Chungking.

Summary: The Japanese in Manchuria are nervous and panicky as recent developments in the Pacific foreshadow Japan's imminent defeat. Driven desperate, they have become more ruthless in the maltreatment of the Chinese under their domination. Recent arrivals from Manchuria report that the Japanese, in their hunt for foodstuffs, leave the Chinese barely enough food to maintain existence and that they commandeer pigs, goats, cattle and poultry and impose as many as 20 different kinds of taxes in addition to compulsory subscription to the "national defense" and "troops comforting" loan bonds. The number of troops in Manchuria includes 250,000 "Manchukuan" and 300,000 Japanese. Conscription, which was initiated in 1941, is being extended. Chinese guerillas number about 100,000. Japanese efforts to exploit Manchuria during the past 12 years have failed owing to non-cooperation of the Chinese.

Respectfully yours,

*copy forward*  
*11/19 24:8*  
C. E. Gauss



Enclosure:  
1. Copy of article, as stated above.

Original and hectograph to Department

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

Enclosure no. 1 to despatch no. 1028 dated September 27,  
1943 from American Embassy, Chungking, China, to Depart-  
ment of State, Washington, D. C.

( C O P Y )

China Information Committee  
Daily Bulletin -- 756  
September 18, 1943

#### JAPANESE IN "MANCHUKUO" NERVOUS AND PANICKY

The plight of the people in the Northeast was outlined by Mr. Mo Teh-hui, member on the Presidium of the People's Political Council and chairman of the Northeast National Salvation Association in Chungking, when interviewed on the eve of the 12th anniversary of the Mukden outrage. Mr. Mo is a native of Liaoning, one of the four northeastern provinces, and was one time president of the Chinese Eastern Railway.

For 12 years, Mr. Mo declared, the Japanese have made consistent efforts to turn a once happy, peaceful and prosperous land into a veritable hell. Now they are nervous and panicky as recent developments in the Pacific foreshadow Japan's imminent defeat. Driven desperate, they have become wilder and more ruthless in their maltreatment of the Chinese under their domination.

The rich resources and agricultural products in the four northeastern provinces -- Liaoning, Kirin, Heilungkiang and Jehol, an aggregate area of 1,285,069 square kilometers -- are best described in the famous song of the northeasterners which begins: "Our home is on the Sungari, there are kaoliang and soy beans, in its bosom a miscellany of rich deposits and means." Today, Mr. Mo said, the northeasterners have in their homes hardly any reserve for a day's food and the majority of them have to depend on kaoliang husks for their daily meals!

Mr. Mo said that recent arrivals from "Manchukuo" reported that the Japanese there, in their wild hunt for foodstuffs, have extended their tentacles to every nook and corner of the northeastern provinces, and every Chinese home has been emptied of its last grain of kaoliang, soy beans or other cereals.

The enemy collects all the farm crops during the autumn harvest, farmers holding back any portion for their own use are charged with "theft of military provisions." For the spring sowing, new seeds are distributed by the puppet agricultural promotion co-operatives, which have the final say as to what to grow. Effective from the spring of this year, the monthly kaoliang ration has been reduced from 30 catties (16 ounces to a catty) to 15 catties per capita. No human being can subsist for a month on such a small amount of kaoliang. So the northeasterners lead a "pig's life" by eating husks of kaoliang, millet and beans ground into "flour" which, of course, is also rationed by the Japanese.

In

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In addition to cereals, the Japanese commandeer pigs, goats, cattle and poultry. That is, unless they are "voluntarily" offered by the owners as gifts for "troops comforting." As many as 20 different kinds of miscellaneous taxes are imposed on the inhabitants in addition to compulsory subscription to the "national defense" and "troop comforting" loan bonds. Furniture, clothes, quilts, blankets and sundry other articles are demanded if people have no money to pay for bonds allotted to them.

The situation in north Manchuria is tense, with troop trains running back and forth along the Chinese Eastern Railway every hour of the day. The section of the railway west of Chailantun in Heilungkiang province, which is known as the Peian-Heiho line, traverses "Manchukuo's" national defense zone. When passing through this area, all windows in trains are shuttered to prevent passengers from seeing out. Japan's national defense line in "Manchukuo," according to Mr. Mo, extends from Pohatu to Heiho in Heilungkiang, along the Inner Hingan Mountains.

Puppet troops formerly stationed in Heiho and Manchuli (also in Heilungkiang), recent arrivals from the Northeast say, have been recalled to Harbin and Lungkiang, because the Japanese, forewarned by the bitter lesson of the Changkufeng Incident, place no confidence in the "Manchukuan" army. At Changkufeng, three regiments of the puppet troops mutinied and turned "rebels" almost as soon as the firing began.

Mr. Mo gave the number of "Manchukuan" troops in the Four Northeastern Provinces at approximately 250,000 men and the strength of the Japanese garrison at 300,000 men. For replacements in the Northeast or to be sent as cannon fodder to the various fighting fronts, Japan needs more men. Conscription began as early as in 1941. The total to be conscripted is not fixed. All able-bodied and sound-minded men within the age bracket of 18 and 40 are subject to conscription. "Sound-mindedness" means loyalty to "Manchukuo" and to the Japanese "New Order" and "Co-prosperity Sphere" programs.

Chinese guerillas number about 100,000, Mr. Mo continued. They operate in the mountains in the three provinces of Liaoning, Kirin and Heilungkiang. Some of their favorite hideouts are in the inner Hingan Mountains and the famous Nonni River region is one of their spheres of activity.

Deprived of their food and, in many cases, also of their land, many of the young or able-bodied Northeasterners either join the guerillas or leave for Free China, if they do not want to face starvation or death by slow torture. The Japanese have gone to all extremes in dealing drastically with these "dangerous elements." Mr. Mo gave as an instance the tragic case of a former puppet education commissioner of the so-called Antung (part of Liaoning) Provincial Government. Allegedly guilty of treason to "Manchukuo" and Japan, he was dragged to the gallows and

with

-3-

with him more than 400 of his subordinates, relatives and friends. Often a whole village or an entire string of hamlets are burned when one or more of the villagers are suspected of having harbored in their homes a guerilla fighter -- "tufei" or "bandit" to the Japanese.

Japan's efforts for the past 12 years, Mr. Mo emphatically asserted, have all ended in failure. The veteran Northeasterner cited an article written by Mr. Pien Tsung-meng, secretary of the Ministry of Social Affairs, (also a Northeasterner), appearing in a "Forum of the Northeast" Supplement of the Catholic Yi Shih Pao. The author in that article called the Four Northeastern Provinces the "food treasury" of China. During the years prior to the Mukden Incident it used to produce an average of 18,363,650 tons of all kinds of cereals annually. Soy beans topped the list with 5,457,100 tons while Maoliang came a close second with 5,143,630 tons.

Since the Japanese occupation on September 18, 1931, food production in the Northeastern provinces has registered a steady drop. According to their own estimate, the production of farm crops for 1931, which had been harvested before the invaders took Mukden, totaled 18,453,000 tons. It dropped to 15,359,000 tons in 1932, to 15,138,000 tons in 1934 and to 13,733,000 tons in 1936.

In industries, the Japanese have done no better, Mr. Mo added. The reason is simple, namely, non-cooperation of the Chinese. If little was their accomplishment during the first six years, the second six years during which the Japanese have been fully occupied with the war can be said to be entirely devoid of any progress. Practically all heavy and light industries at Mukden, Antung and Pensi in Liaoning are at a standstill. Even the famous electricity and waterworks plants on Hsingkai and Chingpo lakes have suspended operations.

*MA*

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

FOR THE PRESS

SEPTEMBER 16, 1943  
No. 387



CONFIDENTIAL RELEASE FOR PUBLICATION IN THE MORNING NEWS-  
PAPERS OF FRIDAY, SEPTEMBER 17, 1943, WHICH DO  
NOT APPEAR ON THE STREETS BEFORE 9:00 P.M., E.W.T.,  
THURSDAY, SEPTEMBER 16, 1943. NOT TO BE PREVIOUSLY  
PUBLISHED, QUOTED FROM OR USED IN ANY WAY.

STATEMENT BY THE SECRETARY OF STATE

Tomorrow, September 18, is the anniversary of the "Mukden incident". It is the anniversary of the beginning of Japanese military aggression against China in 1931. It is regarded in many quarters as dating the beginning of the present life and death struggle throughout the world in which peacefully-minded nations are now engaged with the forces of aggression.

The Japanese occupied Manchuria and attacked Shanghai. They continued their aggressive campaign against the Chinese, principally in north China. The Chinese, resisting in spirit, but desiring to avoid general conflict, endeavored through negotiation to reach a peaceful settlement. On July 7, 1937 Japanese troops launched an unprovoked attack against Chinese troops near the Marco Polo bridge. Following that attack Generalissimo Chiang Kai-shek made a stirring address in which he asked whether China had not reached the "limit of endurance"; declared that, if the limit had been reached, "we cannot do otherwise than resist"; and made an earnest appeal to the Chinese people: "Everyone everywhere will have to shoulder the responsibility for protecting the country and resisting the foe."

The Chinese people shouldered that responsibility.

At Shanghai in 1937 the cream of the Chinese armies gave battle to Japanese naval and military forces possessed of overwhelmingly superior equipment. These Chinese forces stood their ground, exacted a heavy toll, and were virtually destroyed before their remnants fell back.

Through six long years the Chinese people have stood staunchly behind their armies and, under circumstances of great economic deprivation and physical hardships, have continued bravely to oppose the enemy. When Nanking, the capital, fell the Government moved to Hankow and Chinese resistance continued. When Hankow fell the Government moved to Chungking and China's resistance continued. Large Japanese armies have been engaged and contained in north, central, and

793.94 / 17124

PS/ATB

17124

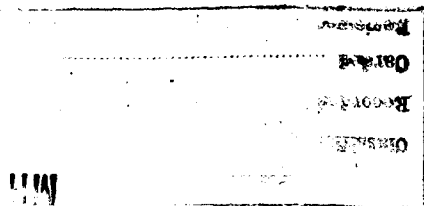
-2-

and south China, and their casualties and expenditures of materials have been great. They have won battles and they have lost battles but they have since 1938 made in China no substantial net gains. Three times they endeavored to take Changsha; and three times they failed. They have had many other failures, both military and political. To their repeated offers of a compromise peace, the Chinese have consistently refused to listen.

China's struggle has been and is our struggle -- the struggle of the peace-seeking nations against the forces of aggression. Since Pearl Harbor we and other nations have joined forces with China. I am confident that, as more weapons become available, Chinese resistance will develop into offensive action and the enemy will be swept from Chinese soil.

Long having refused, against odds, to be conquered, China has made, is making, and will continue to make important contribution toward the common cause of victory over aggression and of establishing conditions of peace, freedom and security through cooperative association and action on the part of the United Nations and united peoples.

\* \* \*



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 File

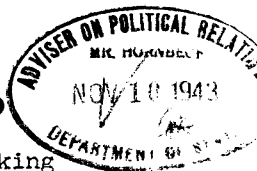
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

# TELEGRAM RECEIVED



RCC

Chungking

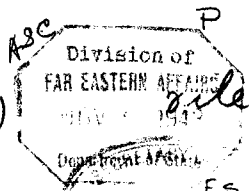
This telegram must be closely paraphrased before being communicated to anyone. (SC)

FROM Dated November 1, 1943

NOV 11 1943 Rec'd 12:04 p.m.

Secretary of State  
Washington

*Portion of this telegram*  
TO PARAPHRASE  
SENT TO TREASURY  
IN CONFIDENCE  
11-3-43 REX



2056, November 1, 9 a.m.

In conversation with Generalissimo Chiang yesterday afternoon he mentioned Tokyo broadcasts announcing perpetual alliance between Japan and puppet regime of Wang Chang Hui and commented that Wang thus would put China into perpetual bondage to Japan. This may be expected to be principal line of Chinese propaganda on the Tokyo Nanking pact.

Speaking of economic situation in China he said that provision of gold by the United States has done much to strengthen public confidence which he said is reflected in greater stabilization of price of necessities and that he believes that if we could give some publicity in United States to fact that we had so made gold available to China it would have a further beneficial effect.

In asking whether I had any news of Moscow conference he spoke appreciatively of presence and influence of Secretary Hull and asked me especially to convey his warmest

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FE/Nov 1943  
BS

740000 Bureau

793.94/17125

PS/ATB

Confidential File

NOV 17 1943

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

-2-#2056, November 1, 9 a.m., from Chungking.

warmest regards to Mr. Hull.

note  
15101  
In a conversation with Acheson at same party he  
commented on news from United States saying that passage  
of Magnuson bill would further strengthen good relations  
between China and United States, and with reference to  
current Senate resolution discussions said he hoped very  
much that United States would participate in postwar  
organization for maintenance world peace.

GAUSS

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

220200

PREPARING OFFICE  
WILL INDICATE WHETHER

Collect

# TELEGRAM SENT

TO BE TRANSMITTED  
☒ SECRET ☒  
CONFIDENTIAL  
RESTRICTED  
CLEAR

Charge Department:

Department of State

Charge to

Washington,

AMERICAN EMBASSY,

CHUNGKING (CHINA).

This cable was sent in Confidential Code.  
It should be carefully paraphrased before  
being communicated to anyone. **SC**

16 19  
Treasury feels it would not be desirable at this time  
to give publicity to matter mentioned in second paragraph  
of Embassy's 2056, November 1, 9 a.m.; ~~Transmitted by State~~  
that the Chinese are not viewing realistically the  
physical difficulties involved in the transportation  
of gold to China; and that if publicity were given to  
this matter increased pressure on this Government to  
expedite gold shipments might be expected.

BULL

*Stettin*  
*acting*  
(JWB)

793.94/17125

PS/ATB

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SWT

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CONFIDENTIAL

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



EMBASSY OF THE  
UNITED STATES OF AMERICA  
Chungking, October 16, 1943

No. 1685

Subject: Japanese Strategy in North China.

CONFIDENTIAL

DOA  
Recording Division  
Mr. C.D.W.

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

NOV 8 1943

Department of State

Sir:

- 1/ I have the honor to enclose a copy of despatch No. 50 of August 26, 1943, from the Secretary on detail at Sian reporting a conversation with General LI Kun-kang, Chief of Staff to General HU Tsung-nan, Deputy Commander of the Eighth War Zone, in regard to the question of Japanese strategy in north China.

Mr. Drumright's covering despatch contains a summary of the conversation.

Respectfully yours,

C. E. Gauss

Enclosure:

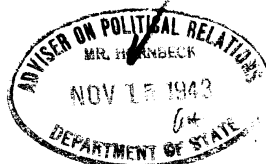
1. Despatch No. 50, Aug. 26, 1943  
from Secretary, Sian.

Single copy to the Department.

711 Jap

PDS/rls

For Distribution-Check		Yes	No
Grade	To field		
For	In U.S.A.		
	ML 5007, 055		



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

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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

C O P Y

No. 50

AMERICAN EMBASSY  
Second Secretary on detail at  
Sian, Shensi, August 26, 1943

Subject: JAPANESE STRATEGY IN NORTH CHINA.

George Atcheson, jr., Esquire,  
Charge d'Affaires ad interim,  
American Embassy,  
Chungking.

Sir:

As of possible interest to the Embassy, I have the honor to enclose herewith a memorandum prepared on the basis of a conversation had today with General Li Kun-kang (李昆岡), Chief of Staff to General Hu Tsung-nan, Deputy Commander of the Eighth War Area, on the subject of Japanese strategy in north China.

In brief, according to General Li, the Japanese do not appear to have under contemplation any large-scale military operations in the north China sector but are trying to render more secure their occupation thereof; the Chinese suffered heavy troop losses in the fighting that occurred in the Tai Hang Mountains earlier in the year; and the Chinese forces will undertake a counter-offensive when sufficient supplies are received from the United States to render such an operation successful.

Respectfully yours,

(signed)

Everett F. Drumright  
Second Secretary on detail  
at Sian

Enclosure:  
1/ Memorandum

(True copy: *[Signature]* )  
(Compared: *[Signature]* )

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

C O P Y

MEMORANDUM OF CONVERSATION

Subject: JAPANESE STRATEGY IN NORTH CHINA.

Present: General Li Kun-Kang ( ), Chief of Staff  
of General Hu Tsung-nan's Headquarters;  
Mr. Drumright.

I called by appointment this afternoon on General Li, Kun-kang.

In the course of the conversation, I inquired of General Li in regard to Japanese military activities in north China. General Li informed me in reply that the Japanese do not appear to have in contemplation any large-scale military activities in north China, adding that there are indications that the Japanese are massing some strength in central China for a drive in the Tungting Lake area of northern Hunan. In north China, and especially in Shansi, said General Li, the Japanese are trying to "digest" (消化) the areas which remain outside their sphere of control, i.e., wholly pacify them and organize them politically in such a way as to give permanency to Japanese occupation. General Li added that the only fighting of any importance that has taken place in north China in recent months has centered in the Tai Hang mountains (太行山) of southeastern Shansi. There, he said, the Japanese had massed some five or six divisions which had inflicted heavy losses on the Chinese troops stationed in the mountains. Apparently implying that the Chinese have more or less abandoned the defense of the Tai Hang Mountains, at least for the time being, General Li said that the problem of supplying the armies stationed there is almost insuperable.

In reply to my inquiry as to when a Chinese counter offensive might be expected to recover north China, General Li stated that such an offensive would be undertaken when sufficient supplies are received from the United States to render such an operation successful. In reply to another inquiry, General Li asserted positively that there is no question but what China will be able to carry on the war against the enemy until they are defeated and driven from the soil of China.

General Li spoke very highly of the American war effort and of the achievements of the 14th United States Army Air Force in China; he added that China regards the United States as her best international friend, and that China places full trust and reliance in the efforts being made by the United States to overcome the aggressor nations and to win the peace.

E.F.D.

Sian, Shensi,  
August 26, 1943.

(True copy: *[Signature]* )  
(Compared: *[Signature]* )

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

DEPARTMENT OF COMMERCE  
BUREAU OF FOREIGN AND DOMESTIC COMMERCE  
WASHINGTON

NOV 12 1943

November 8, 1943

NOTED ON SECRETARY'S DESK

HP:BCR

Division of  
Far Eastern Affairs

1943

Department of State

IN REPLY REFER TO 37

Joseph W. Ballantine, Esquire,  
Chief, Division of Far Eastern Affairs,  
Department of State,  
Washington 25, D. C.

DIVISION OF  
ECONOMIC STUDIES  
NOV 24 1943

DEPARTMENT OF STATE

Dear Joe:

Under separate cover I have pleasure in sending you five copies of the report prepared by Foreign Service Officer Robert S. Ward, entitled "Hong Kong Under Japanese Occupation -- A Case Study in the Enemy's Techniques of Control." It has been processed exactly as the manuscript came to hand with your revisions, last August, and with Restricted security status.

I wish to take this opportunity of commending Mr. Ward for his fine work in preparing a report of unusual merit, which should be of exceptional value for the instruction purposes of our Military Government programs, and ask that our appreciation be noted upon his efficiency record.

Additional copies of Mr. Ward's report will be made available to any of the State Department's staff who may indicate a desire to have them.

Sincerely yours,

*Charles K. Moser*

Charles K. Moser,  
Chief, Far Eastern Unit.

DIVISION OF  
POLITICAL  
AFFAIRS  
HB

*file*

*enc*



793.94/17127 PS/ATB

NOV 3 01943

November 11, 1943

J.G.E.

SUBJECT: Report by Robert S. Ward, entitled  
"Hong Kong Under Japanese Occupation--  
A Case Study in the Enemy's Techniques  
of Control."

The highlight of the story of Hong Kong was the poorness of its defense, which was practically scandalous. It may be argued that the fortress was surrounded and outnumbered. However, the British did not have a military airplane in the Colony and permitted the Japanese to swarm onto the island in open boats in broad daylight, without scarcely firing a shot at them.

Mr. Ward does not neglect these facts but certainly underemphasizes them. His object was not to pass judgment on the military actions of our ally, but to make a constructive study of the technique of our enemy. He has done this extremely well. His handling of the subject shows his thorough knowledge of Oriental psychology.

The report is well documented. Mr. Ward brought out his newspaper copies at some personal risk, as it was against Japanese orders. At the last moment of our departure they neglected to search the American officials.

I think the report deserves a rating of "Excellent".

FP:JHbruins:EFB



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

25

In reply refer to  
 FE

Dear Charlie:

793.94  
 I acknowledge with thanks the receipt of your letter of November 8, 1943 and of the five copies of the report prepared by Mr. Robert S. Ward entitled "Hong Kong Under Japanese Occupation -- A Case Study in the Enemy's Techniques of Control" which you were so kind as to send under separate cover.

Your courtesy in making these copies available to us is appreciated as is also your commendation of Mr. Ward's work. I have brought your expression of commendation to the attention of the appropriate officers in the Department and I have also brought Mr. Ward's report to the attention of interested officers who may desire to obtain copies for their files.

Sincerely yours,

*JWB*  
 Joseph W. Ballantine  
 Chief

Division of Far Eastern Affairs

OK ✓  
 Charles K. Moser, Esquire,  
 Chief, Far Eastern Unit,  
 Bureau of Foreign and Domestic Commerce,  
 Department of Commerce,  
 Washington, D. C.

egc.  
 FE:EOG:MHP  
 11/12/43

FE

793.94/17127 PS/ATB



EMBASSY OF THE  
UNITED STATES OF AMERICA  
Chungking, October 21, 1943

No. 1715

Subject: Reported Puppet Defections in the Peiping Area.

RECEIVED  
DEPARTMENT OF STATE  
NOV 16 1943  
Recording Desk

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

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

NOV 16 1943  
In U.S.A.  
MIS-007-055

Sir:

I have the honor to enclose a copy of despatch  
No. 77 of September 30, 1943, from the Secretary on  
detail at Sian in regard to reported defections of  
puppet troops in the Peiping area.

793.94  
DIVISION OF  
COMMUNICATIONS & RECORDS  
NOV 21 1943

Summary. Chinese sources report that a unit of  
puppet troops stationed in the vicinity of Peiping  
revolted and turned over to Chinese Communist units in  
early September, that some fifty students just before  
their scheduled graduation from the puppet Chinese  
military academy at Peiping about three months ago  
suddenly defected and joined Chinese Communist troops  
near Peiping and that little trust is placed in  
Chinese puppet troops by the Japanese who invariably  
attach Japanese officers to such units.

Respectfully yours,

C. E. Gauss

Enclosure:

Despatch from Secretary,  
Sian, No. 77, Sept. 30, 1943.

Single copy to the Department.

711 Jap

PDS/rls

793.94/17123

PS/ATB

DEC 6 1943

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

AIR MAIL (Enclosure to Despatch No. 1715, October 21, 1943,  
(from the American Embassy, Chungking, China. )

C O P Y

AMERICAN EMBASSY  
Second Secretary on detail at  
Sian, Shensi, Sept. 30, 1943.

No. 77

Subject: REPORTED PUPPET DEFECTIONS IN PEIPING AREA

The Honorable C. E. Gauss,  
American Ambassador,  
Chungking.

Sir:

With reference to my no. 72, September 25, 1943, and previous despatches in regard to military developments in north China, I have the honor to report that, according to a Chinese who recently left Peiping, a unit of puppet troops stationed in the vicinity of that city revolted and went over to units of the Chinese communist army early in September of this year. According to my informant, the gates leading into Peiping were closed for several days following the occurrence of this alleged incident.

Another Chinese informant, recently arrived from Peiping, reports that about three months ago some fifty students who were scheduled to be graduated within a few days from the puppet Chinese military academy established at Peiping suddenly defected and joined units of the Chinese communist army near Peiping. Students remaining at the military academy were placed under surveillance following this alleged incident.

It appears to be the consensus of persons arriving from the occupied areas that the Japanese can put no reliance in their Chinese puppet levies, and that, in fact, they do not do so. Puppet forces are said to be supplied with only the lightest of arms and with never more than a few rounds of ammunition. Japanese officers are invariably attached to Chinese puppet military units, but they are by no means uniformly successful in keeping the allegiance of their Chinese levies.

Respectfully yours,

(signed)

Everett F. Drumright  
Second Secretary of Embassy  
on detail at Sian

(True copy: *AV* )  
(Compared: *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



EMBASSY OF THE  
UNITED STATES OF AMERICA

Division of  
EASTERN AFFAIRS

Chungking, January 25, 1944

Department of State

No. 2065

Subject: Transmittal of Japanese-dropped Leaflets

The Secretary of State,  
Washington, D. C.

Sir:

- 1/ I have the honor to enclose a copy of despatch No. 99, December 31, 1943, from the Secretary on detail at Sian, in regard to a leaflet said to have been dropped over Chengchow, Honan, from a Japanese airplane on December 27, 1943.
- 2/ One copy of this leaflet, the contents of which are discussed in Mr. Drumright's despatch, is enclosed.

Respectfully yours,

C. E. Gauss

Enclosures:

- 1/ Despatch from Secretary, Sian, No. 99, December 31, 1943.
- 2/ Leaflet, as stated.

Single copy to the Department.

711 Jap.

CHB/hcr

793.94  
DEPARTMENT OF STATE  
FEB 17 1944  
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FEB 17 1944  
RECEIVED  
FEB 17 1944

Office of the Chief of Protocol  
PHOTOGRAPHY SECTION  
FEB 18 1944

FILED  
FEB 2 1944

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PC/D'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

Enclosure No. 1 to Despatch  
No. 2065, January 25, 1944,  
American Embassy, Chungking.



EMBASSY OF THE  
UNITED STATES OF AMERICA

Second Secretary on detail at Sian,  
December 31, 1943.

No. 99

Subject: TRANSMITTAL OF JAPANESE -DROPPED  
LEAFLET

The Honorable C. E. Gauss,  
American Ambassador,  
Chungking.

Sir:

I have the honor to enclose as of probable interest to the Embassy two copies of what purports to be a newspaper called the Shih Pao (時報) which appears to be published in the Japanese-occupied areas of north China. The enclosed copies, which are dated October 31, 1943, were, I am informed, dropped over Chengchow, Honan, from a Japanese airplane at about 3 p.m. on December 27, 1943. I am further informed that identical copies of this newspaper were dropped over Loyang, Honan, in the course of the same afternoon.

The enclosed newspaper is devoted almost entirely to material relating to the signing in Nanking on October 30, 1943, of a so-called "Treaty of Alliance" between the "National Government of the Republic of China" (i.e., the Wang Ching-wei regime) and the Japanese Imperial Government. In addition to giving details of the signing of the treaty, the paper publishes the alleged text thereof, together with a supplementary agreement and an exchange of notes. The first article of the treaty provides that the contracting powers shall respect the sovereignty and territorial integrity of one another. The second article provides that the contracting powers, with a view to constructing "Greater East Asia" and to preserving its security, shall exercise the closest cooperation and give one another the utmost assistance. The third article provides for the utmost and closest economic cooperation between the two powers. The fifth article provides that the so-called "basic treaty" negotiated between Japan and the Wang regime at Nanking on November 30, 1940 shall become null and void as from the date that the new treaty is made effective. Finally, the sixth article provides that the present treaty and supplementary agreement are to become effective as from the date of signature (i.e., as from October 30, 1943). The first article of the supplementary agreement provides that when peaceful conditions shall have returned Japan agrees to withdraw her troops from China; in this same article Japan agrees to abandon certain treaty rights providing for the stationing of Japanese troops in Chinese territory.

The enclosed newspaper also publishes what purport to be the texts of speeches delivered by the Japanese ambassador and Wang Ching-wei on the occasion of the signing of the treaty. There are also published certain articles in regard to the alleged "strengthening" of friendly relations between China and Japan.

Respectfully yours,

Everett F. Drumright  
Second Secretary of Embassy  
on detail at Sian

Enclosure:  
1/ Two copies of newspaper

Enclosure No. 1 to Despatch  
No. 2068, January 25, 1944,  
American Embassy, Chungking.

EMBASSY OF THE

UNITED STATES OF AMERICA

Second Secretary on detail at Sian,  
December 31, 1943.



No. 99

Subject: CONTROL OF JAPANESE-ACQUIRED  
LITERATURE

One Honorable W. L. Cramer,  
American Ambassador,  
Chungking.

SIR:

I have the honor to enclose as of possible interest to the Embassy two copies of a newspaper which purports to be a newspaper called the Shih Ching (新報) which appears to be published in the Japanese-occupied areas of North China. The enclosed copies, dated December 31, 1943, were, I am informed, dropped over Hanking, China, from a Japanese airplane at about 3 p.m. on December 27, 1943. I am further informed that identical copies of this newspaper were dropped over Hanking, China, in the course of the same afternoon.

The enclosed newspaper is devoted almost entirely to material relating to the signing in Hanking on October 30, 1943, of a so-called "Treaty of Alliance" between the National Government of the Republic of China (i.e., the Wang Ching-wei regime) and the Japanese Imperial Government. In addition to giving details of the signing of the treaty, the paper publishes the alleged text thereof, together with a supplementary agreement and an exchange of notes. The first article of the treaty provides that the contracting powers shall respect the sovereignty and territorial integrity of one another. The second article provides that the contracting powers, with a view to constructing "Greater East Asia" and to preserving its security, shall exercise the closest cooperation and give one another the utmost assistance. The third article provides for the utmost and closest economic cooperation between the two powers. The fifth article provides that the so-called "basic treaty" negotiated between Japan and the Wang regime at Hanking on November 30, 1940 shall become null and void as from the date that the new treaty is made effective. Finally, the sixth article provides that the present treaty and supplementary agreement are to become effective as from the date of signature (i.e., as from October 30, 1943). The first article of the supplementary agreement provides that when peaceful conditions shall have returned Japan agrees to withdraw her troops from China; in this same article Japan agrees to abandon certain treaty rights providing for the stationing of Japanese troops in Chinese territory.

The enclosed newspaper also publishes what purport to be the texts of speeches delivered by the Japanese ambassador and Wang Ching-wei on the occasion of the signing of the treaty. There are also published certain articles in regard to the alleged "strengthening" of friendly relations between China and Japan.

Respectfully yours,

Everett F. Drumright  
Second Secretary of Embassy  
on detail at Sian

Enclosure:  
1/ Two copies of newspaper

Enclosure No. 1 to Despatch  
No. 2065, January 25, 1944,  
American Embassy, Chungking.



EMBASSY OF THE  
UNITED STATES OF AMERICA

Second Secretary on detail at Sian,  
December 31, 1943.

No. 99

Subject: TRANSMITTAL OF JAPANESE -DROPPED  
LEAFLET

The Honorable C. L. Geuss,  
American Ambassador,  
Chungking.

Sir:

I have the honor to enclose as of probable interest to the Embassy two copies of what purports to be a newspaper called the Shin Shu (新報) which appears to be published in the Japanese-occupied areas of north China. The enclosed copies, which are dated October 31, 1943, were, I am informed, dropped over Chengchow, Honan, from a Japanese airplane at about 3 p.m. on December 27, 1943. I am further informed that identical copies of this newspaper were dropped over Loyang, Honan, in the course of the same afternoon.

The enclosed newspaper is devoted almost entirely to material relating to the signing in Nanking on October 30, 1943, of a so-called "Treaty of Alliance" between the "National Government of the Republic of China" (i.e., the Wang Ching-wei regime) and the Japanese Imperial Government. In addition to giving details of the signing of the treaty, the paper publishes the alleged text thereof, together with a supplementary agreement and an exchange of notes. The first article of the treaty provides that the contracting powers shall respect the sovereignty and territorial integrity of one another. The second article provides that the contracting powers, with a view to constructing "Greater East Asia" and to preserving its security, shall exercise the closest cooperation and give one another the utmost assistance. The third article provides for the utmost and closest economic cooperation between the two powers. The fifth article provides that the so-called "basic treaty" negotiated between Japan and the Wang regime at Nanking on November 30, 1940 shall become null and void as from the date that the new treaty is made effective. Finally, the sixth article provides that the present treaty and supplementary agreement are to become effective as from the date of signature (i.e., as from October 30, 1943). The first article of the supplementary agreement provides that when peaceful conditions shall have returned Japan agrees to withdraw her troops from China; in this same article Japan agrees to abandon certain treaty rights providing for the stationing of Japanese troops in Chinese territory.

The enclosed newspaper also publishes what purport to be the texts of speeches delivered by the Japanese ambassador and Wang Ching-wei on the occasion of the signing of the treaty. There are also published certain articles in regard to the alleged "strengthening" of friendly relations between China and Japan.

Respectfully yours,

Everett F. Drumright  
Second Secretary of Embassy  
on detail at Sian

Enclosure:  
1/ Two copies of newspaper

793.94/17129

for CA

DEPARTMENT OF STATE  
DIVISION OF COMMUNICATIONS AND RECORDS

Please attach  
\* Despatch 2065  
from Chungking

DCR  
files

DEPARTMENT OF STATE  
OFFICE OF THE CHIEF CLERK  
AND ADMINISTRATIVE ASSISTANT

2/23/44

Miss ~~Wheeler~~:

This is encl. # 2  
of despatch 2065 from  
Chungking which  
we failed to return  
with the original.  
Hope they can connect.  
Sorry it was  
misplaced

M. Gale  
AM: Room 21





# 中日同盟條約簽訂消息傳出後 全聯會場興奮狂歡

當局長則謂盟約簽訂後  
約當局將有重大影響



謝公使致辭

## 各項議案順利解決 全聯大會昨為最末一日

歡呼高聲聲中大會閉幕

# 把「大條約精神」 完成後方基地使命

主委員長為盟約發表談話



謝公使致辭

## 中日盟約確立 中日當局

電賀東條首相

電賀汪主席

致抗戰區同胞書

全聯會場

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# 中日盟約的正確認識

情局當局對盟約長昨晚廣播

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# 東亞盟約見於事實

汪主席親臨激勵政訓

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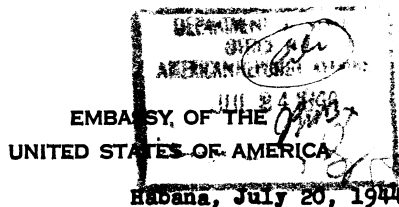
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75



Habana, July 20, 1944

No. 7469

AIR MAIL

Subject; (Observance of the 7th anniversary  
of outbreak of Japanese attack on  
China; transmitting copy of speech

UNRESTRICTED

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

Sir:

- 1/ I have the honor to enclose the text of an  
address which I gave in Spanish the evening of July 7  
at the National Amphitheatre in Habana on the occasion  
of the commemoration organized by the local Chinese  
colony of the 7th anniversary of the Marco Polo bridge  
incident which marked the beginning of current hostili-  
ties between Japan and China. An English translation  
2/ of the address is likewise enclosed. At the ceremony  
President-elect GRAU, the Minister of State, the  
Chinese Minister and others spoke appropriate words.

Customary editorial and other statements of  
sympathy with the Chinese in their brave and prolonged  
fight, as well as with the ideals of the United Nations,  
were made on the occasion of this anniversary.

Respectfully yours,  
For the Ambassador:

Garret G. Ackerson, Jr.  
Second Secretary of Embassy

Enclosures:

- ✓ 1. Copy of speech  
✓ 2. Translation

File No. 841.5  
HEM/hmf

793.94/7-2044

DECLASSIFIED: E.O. 11652, 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. 7469  
of July 20, 1944, from the Embassy at Habana**

Palabras pronunciadas por el Excmo. Sr. Spruille Braden, Embajador de los Estados Unidos de América, en el Anfiteatro Nacional de La Habana el 7 de Julio de 1944 durante la ceremonia de conmemoración del séptimo aniversario de la resistencia china a la agresión japonesa.

Sr. Ministro de China,  
Excelencias,  
Señoras y señores:

Hace casi dos mil quinientos años, en el seno de una nación remota y, sin embargo, por tantas razones tan cerca de nosotros, vió la luz primera uno de los hombres de más alto espíritu que el mundo ha conocido. El nombre que llevó en vida: Confucio, es hoy, para nosotros, cifra de las más austeras y benéficas virtudes. Los principios éticos que nos legó, hace ya mucho tiempo que pasaron a formar parte del patrimonio común del orbe civilizado. Sin ellos, nuestro concepto del sentido moral de la existencia sería en gran parte distinto, y desde luego, inferior al que es.

De su ideal e imperecedera sustancia se ha venido nutriendo, por espacio de veinticinco siglos, el alma colectiva del gran pueblo a quien tales doctrinas fueron principalmente dedicadas. A ello, quizás, se deba la rara fortaleza con que el pueblo chino ha salvado sin daño irreparable los momentos más graves de su antiquísima y trabajada historia, así como la impenetrable firmeza con que ha sabido atravesar por épocas de bonanza sin caer en el fatal adormecimiento que tan frecuentemente suele acompañar a los prolongados períodos de paz.

La heroica resistencia a la agresión que el pueblo chino inició el día 7 de julio de 1937 (o para ser más preciso, el 18 de septiembre de 1931) es ejemplo insigne de lo que un pueblo es capaz de hacer en defensa de su existencia como nación cuando le asiste esa superior energía espiritual que sólo una depurada cultura puede proporcionar. Terribles e innumerables son los sacrificios que esta guerra ha impuesto al ejército y la población civil de la libre República de China, mas ellos son símbolo, aunque trágico, de su voluntad de luchar infatigablemente por lo que reconoce como de su legítima e inalienable pertenencia. A pesar de ellos --o acaso, en parte, por ellos mismos-- , el proceso de la unificación de China como entidad, no ya solamente étnica y cultural, sino también política y administrativa, sigue imperturbablemente el curso iniciado hace treinta y tres años. Apoyada en el firme tronco de su personalidad y saber históricos y orientada por los principios de Sun Yat Sen que, en nuestros días, el Generalísimo Chiang Kai Chek ha sabido poner en ejecución con vigoroso y claro sentido, la República de China afirma y acentúa más cada día su existencia como nación moderna, una e indivisible.

Cuando esta guerra acabe con el total triunfo de las Naciones Unidas y llegue para todos la hora de recoger el bien ganado fruto de tanto y tanto sobrehumano esfuerzo, se abrirá para China lo que acaso constituirá el período más rico y de mayor creación de su historia moderna. La tradicional amistad que une a los pueblos y gobiernos de China y los Estados Unidos se ha trocado en el presente en una estrecha alianza militar contra el común enemigo. No es la nuestra una alianza ocasional que pueda terminar cuando la guerra acabe. Por el contrario, posible es predecir con certeza que, sean cuales sean las vicisitudes del futuro, nada podrá alterarla y menos aun disminuirla.



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

Enclosure No. 2 to despatch No. 7469  
of July 20, 1944, from the Embassy at Habana

Translation

Mr. Minister:  
Excellencies:  
Ladies and Gentlemen:

Almost 2500 years ago, in a nation far removed but in some ways so close to us, there was born one of the greatest men the world has ever known. His name, Confucius, is today a symbol of the highest virtues. The ethical principles which he deduced to us long ago became part of the common heritage of the civilized world. Without them our concept of the moral sense of life would be largely different from what it is and therefore inferior.

From him the great people to whom these doctrines were dedicated have derived inspiration for 25 centuries. This may explain the unusual fortitude with which the Chinese people have survived the gravest moments in their past, as well as the equanimity with which they have enjoyed periods of prosperity without becoming soft, as so often results from prolonged periods of peace.

The heroic resistance against aggression which the Chinese people began July 7, 1937 (or to be more exact, September 18, 1931) is an outstanding example of what a people are capable of doing in defense of their existence as a nation when supported by the spiritual energy which only a high culture can give. The sacrifices this war has imposed on the army and the civilian population of the free Republic of China are terrible and innumerable but they are the symbol, however tragic, of their will to fight for what they know to be their legitimate and inalienable rights. Despite these sacrifices, or possibly in part because of them, the political and administrative, as well as the ethnical and cultural unification of China are continuing along the lines laid out 33 years ago. Guided by the principles of Sun Yat Sen as carried out by General Chiang Kai Chek, the Republic of China is day by day strengthening its existence as a modern nation.

When this war ends with the total triumph of the United Nations and when the hour comes for all to enjoy the blessings of peace, there will dawn for China the brightest day in its modern history. The traditional friendship that unites the peoples and governments of China and the United States has been made manifest in a close military alliance against a common enemy. Ours is not an ephemeral alliance which may dissolve when the war ends. On the contrary, it may be said with certainty that whatever the future may bring, nothing can change or weaken it.

DECLASSIFIED: E.O. 11652, 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

Comments on Baron Tanaka's report to his  
Emperor concerning China and United States.

793.94/7-2544

For the original paper from which reference is taken

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

Dated ..... July 25, 1944 ..... From } War Department  
To }

File No. .... 740.0011 P.W./7-2544 .....

U. S. GOVERNMENT PRINTING OFFICE 1-1540

sm

78 DEPARTMENT OF STATE  
OFFICE  
DIVISION OF FAR EASTERN AFFAIRS

September 12, 1944

Reference Chungking's despatch <sup>294</sup>,  
August 21, 1944.

Consul Ringwalt at Kweilin reports allegations by sources close to Li Chi-shen and by "Communists", which Mr. Ringwalt believes "reasonably accurate", to the effect that Japan's principal aim is to achieve its military objectives in China without "embarrassing the Chinese Government to the extent that it would be overthrown and replaced by a regime more in sympathy with the war effort"; that the Japanese reached an agreement with the Generalissimo under which, in return for a guarantee of security in north-west China, Chiang agreed not to interfere with the Japanese campaign in central and south China; that later Chiang, becoming alarmed at the progress of the anti-government movement in south China, asked and got the cooperation of the Japanese in destroying Hsueh Yueh's forces; and that the Japanese have given Li-Chi-shen an ultimatum that he must abandon his plans for a new government in opposition to Chungking or have his clique destroyed by the Japanese forces.

The Embassy considers Mr. Ringwalt's statement and opinions not well-considered; believes that the alleged understanding would be illogical; and has no indication that such an understanding exists or has possibility of coming into being.

*Reading of The Embassy's covering despatch  
and Ringwalt's summary is adequate.*

CA:ASC

7016-1

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



EMBASSY OF THE  
UNITED STATES OF AMERICA

SECRET

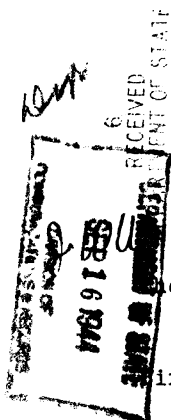
Chungking, August 21, 1944

No. 2894

Subject: Alleged Understanding between  
Chiang Kai-shek and the Japanese.

For Distribution-Check		Yes	No
Grade	For		
	Ringwalt		
	Average		
In U.S.A.			
MID-2/FCE-1			
ONM/P/100/100			

1944 SEP 7 PM 2 13



The Honorable  
The Secretary of State,  
Washington 25, D.C.

Sir:

I have the honor to enclose a copy of the Kweilin Consulate's despatch to the Embassy no. 129, August 10, 1944, entitled "Political Aspects of Present Japanese Campaign in China", containing allegations which the Consulate describes as "reasonably accurate" of an understanding between the Generalissimo and the Japanese. According to a notation at the end of the despatch, a copy was sent forward direct to the Department.

The Embassy believes that the Consulate's statements and opinions in this respect were not well-considered and that they should be treated with the greatest reserve. There is, of course, little doubt that tacit understandings have arisen between (or with the connivance of) individual Chinese and Japanese commanders or units in various places where the "front" has become static and trade has developed across the lines between the Chinese and Japanese forces. But we have not received any indication that an understanding such as that alleged or implied by Mr. Ringwalt exists or has possibility of coming into being. It seems to us that from the Chinese point of view such understanding would be pointless, except possibly as a makeshift temporary expedient, and would also be without material benefit to the Japanese military whose occupying forces have in any case little to fear from possible (if improbable) Chinese attack and who would not likely be trusting enough, if such understanding did exist, to seek the benefit of withdrawing garrisons for use elsewhere. From the political

point....

DCA  
Recording Desk  
File-C.R.W.



7016-2

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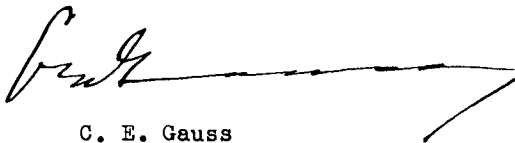
AIR MAIL

80

- 2 -

point of view the entering into such understanding would be suicidal for Chiang Kai-shek whose hopes not only for power in world affairs but for the survival of himself and his regime in China depend more and more as time goes by on the support of the United States and the other principal Allies.

Respectfully yours,



C. E. Gauss

✓  
Enclosure:  
Kweilin's despatch to the  
Embassy no. 129.

Copy to Kweilin

Ozalid original to the Department

710 Sino-Jap

GAjr/ept

7616-3

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

No. 129 to the Embassy

(Enclosure to despatch no. 2894 dated)  
(August 21, 1944, from the American )  
(Embassy, Chungking, China. )

81

AMERICAN CONSULATE,  
KWEILIN, CHINA, AUGUST 10, 1944.

SECRET

Subject: Political Aspects of Present Japanese  
Campaign in China.

The Honorable  
Clarence E. Gauss,  
American Ambassador,  
Chungking.

Sir:

I have the honor to submit hereunder a report on certain political aspects of the present Japanese campaign in China. As indicated in the context, much of the material has been obtained from associates of Marshal Li Chi-shen and representatives of the Chinese Communist Party and may therefore be colored by their political views. It is needless to say that this Consulate can produce no evidence of certain allegations derogatory of the Generalissimo and his part in the present campaign. It is believed, however, that the report is reasonably accurate except perhaps for certain military phases of the campaign; it was written without benefit of source material, all records of this Consulate having been either destroyed or sent to Kunming when the Japanese threat to Kweilin appeared imminent.

SUMMARY: In their campaign in China this year, the Japanese had the following objectives: the establishment of through north-south land communications to Canton and Indochina, the destruction of Chinese military forces along these lines of communications, the continued maintenance in nominal power of the present government in Chungking, and the incidental elimination of advance American air bases. In preparation for the campaign, the already substantial garrisons were reinforced by units from Manchuria and the South Seas, espionage schools were established in South China, and agreement favorable to Russia over Sakhalin was reached, and an understanding is said to have been obtained from the Generalissimo who was guaranteed security in the northwest provided he did not interfere in the Japanese campaign outside his sphere of influence. The Honan campaign was opened the last week in April and resulted in the speedy defeat of Chinese forces in that area, although the Japanese employed only about 20% of their available forces. In the south, Marshal Li Chi-shen had been making rapid strides in uniting all dissident elements against the Central Government. The Generalissimo, alarmed at this threat to his reign, is reported to have asked the Japanese to destroy the troops of the Ninth War Zone under Hsueh Yueh, who he believed was in the plot against him. The campaign in the south opened late in May, and by the end of June the Japanese had reached the gates of Hengyang. Here from entrenched

positions,

7016-4

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- 2 -

positions, they destroyed seriatim the Chinese provincial armies which the Generalissimo ordered hurled against them. Central Government units reached the front in only token force. The siege of Hengyang lasted until August 8, although it is generally agreed that it could have been taken at any time. Political as well as military considerations were responsible for the holdup of the Japanese offensive. The Japanese in conjunction with the Generalissimo are said to have delivered an ultimatum to Marshal Li and his clique that unless he dropped his plans for the consolidation of the opposition against Chungking, the Japanese would destroy his clique and all of south China. It is believed, however, that Marshal Li will not be intimidated; whether the Japanese will wish at this critical period to expend the necessary troops, equipment and supplies to carry out their threat is problematical.

#### Japanese Objectives

Japanese objective in China as of April 1, 1944, included the following: (1) the establishment of control of through lines of rail and road communication between Fusan in Korea and Canton and Indochina; (2) the elimination from the scene of any military forces capable of cooperating with a possible allied landing on the coast; (3) the execution of these plans without embarrassing the Chinese Government to the extent that it would be overthrown and replaced by a regime more in sympathy with the war effort; and (4) the incidental elimination of American air bases in south China.

#### Japanese Military Preparation

The Japanese military having been defeated on the sea were withdrawing into the Asiatic mainland as much of the remnants of their defeated garrisons as could be salvaged with the limited shipping facilities at their command. It is believed that most of this salvaged strength went to strengthen Japanese garrisons in Hainan and the south coast of China. As of April 1, 1944, Japanese garrisons on the south China coast were of the following strengths: Swatow, 25,000; Hong Kong-Canton, 65,000 (increased to 105,000 early in August); Luichow-Kwangchowwan, 6,000; Hainan, 100,000; China-Indochina frontier, 35,000. From the mouth of the Yangtze to Shasi (north of Tungting Lake), Japanese permanent garrisons were reinforced by fresh troops, raising the total to some 250,000. North of the Yellow River, Japanese permanent garrisons were strengthened by attached specialized units from north China and Manchuria, including mobile artillery and tank units. By an accurate estimation of the situation in Europe, the Japanese knew that they need not fear any attack from Siberia or the Maritime Province until after the destruction of Germany; they believed that they had a minimum of six to eight months during which they could draw freely on their Manchurian units for their China

campaign.

7016-5

campaign.

#### Japanese Political Preparation

Politically the Japanese prepared their campaign with great care under the direction of their best military-political brains. In January, 1944, no less a personage than General Doihara arrived in south China to prepare the ground work for these drives. Special espionage schools were established in Hong Kong, Canton, Macao, Kwangchowwan and perhaps elsewhere. By conservative estimate, 250 agents graduated from these schools about every five weeks. Their principal duties were to direct Japanese air and ground attacks against military installations in south China, to promote extensive whispering campaigns designed to destroy what unity existed between China and its allies, and to build up the prestige of the Wang Ching-wei regime. Early in 1944, the Japanese made very favorable terms with the Russians concerning Sakhalin in order to create what good will they could with the Soviet Union, and by implication to threaten the Chungking Government. In early April, the Japanese sent representatives to the Generalissimo with whom (as reported by a highly placed political authority in south China and bona fide Communist Party members) they reached the following understanding: it was agreed that China would be divided into two spheres of influence, one in which the Japanese would be paramount and the other in which the Generalissimo would be left undisturbed. The line of demarkation was roughly as follows: From the Communist border region due south through Tungkwan to the Yangtze River, thence westward along the Yangtze through Talifu (in western Yunnan north of the Burma Road) to Burma. West and north of this line, the Generalissimo was assured that he would not be molested as long as he guaranteed to the Japanese that (1) he would not attempt to bring unity to China by compromise with the Communists and Third Party elements, (2) he would co-operate with the United States only to such an extent as not to lose the support of that Government, (3) he would instruct his two principal armies under Hu Tsung-nan and Teng En-po to offer only token resistance to the Japanese armed forces outside his sphere of influence, and (4) he would give no support to other armies outside his sphere of influence. This understanding set the stage for the execution of the Japanese campaign.

#### Japanese Campaign North of the Yangtze

During the last week of April, 1944, Japanese forces based on Kaifeng and Hsinhsiang opened the campaign by driving across the Yellow River and then fanning out in all directions. Almost simultaneously, Japanese troops from Hsinyang, in southern Honan, began to move northward along the Peiping-Hankow Railway. The armies under General Hu Tsung-nan along the Lunghai Railway offered only nominal resistance to the Japanese,

and

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and quickly withdrew to Tungkwan. In consequence, their lethargy became more pronounced and their morale suffered even further deterioration. The troops of the First War Zone which were left to bear the brunt of the attack were quickly overwhelmed. General Li Tsung-jen, of the Fifth War Zone, commanding largely Hunan and Kwangsi troops, soon became aware of the situation and pulled out of the path of the Japanese advance. East of the Peiping-Hankow Railway, General Tang En-po, commanding what was reputed to be the second best army in China some 250,000 strong, hardly entered the struggle. His forces disintegrated in the field during the first week of the campaign. Although he was subsequently stripped of his rank on orders of the Generalissimo, he continued to remain in his headquarters surrounded by his entourage and to be rendered all honors due his previous rank unmolested by agents either of the Generalissimo or the Japanese. At no time during the three weeks' campaign in Honan did the Japanese meet with any resistance worthy of the name except by troops of the First War Zone in the Loyang area. The Japanese did not commit to battle at any time more than 20% of their available forces.

#### The Marshal Li Chi-shen Clique

For many months, Marshal Li Chi-shen and his clique had been working quietly to unite dissident political elements in China against what they considered the corrupt, monopolistic, and inefficient group of politicians dominating the Central Government. In formulating their plans they consulted closely with, and received encouragement from, Chinese Communist elements in the north, east and south. The Generalissimo was not unaware of these machinations, but felt he had succeeded in permanently dividing Marshal Li's clique by buying the allegiance of General Pai Chung-hsi whose support a portion of Marshal Li's clique considered essential to the consummation of their plans. Therefore it was with considerable consternation that the Generalissimo learned early in May, 1944, that General Pai's desertion of his native province had not checked Marshal Li's plans but had had the opposite effect of consolidating the opposition to his regime, of creating a bitter personal animosity between Marshal Li and General Pai, and of destroying General Pai's prestige in his native province. He found that General Lung Yun of Yunnan, General Liu Wen-hui of Sikong, and the Szechwan war lords who had been wavering in indecision had, as definitely as any Chinese generals could be expected to do, aligned themselves with Marshal Li's clique. This made it apparent to the Generalissimo that he did not control sufficient military force within his own sphere of influence to maintain himself; the remaining troops under General Hu Tsung-nan if put to a test might prove incapable of holding in check the Communist armies in Shensi, and therefore any dissident force moving against him from without his sphere of influence might bring about his downfall. It is reported (by agents of Marshal Li and the Communists) that, faced with this

situation,

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situation, the Generalissimo appealed to the Japanese and asked them immediately and totally to destroy the only sizeable military force in south China that could disturb his position, that is to say, the armies of General Hsueh Yueh in the Ninth War Zone. Other forces of questionable loyalty, he believed, were not in position to menace his safety: the Yunnan provincial troops were out-numbered three to one by Central Government forces stationed in that province; the second-rate troops of the Seventh War Zone, and those of the Fourth War Zone under the nominal command of General Chang Fa-kuei, were considered incapable of concerted action; and finally the fighting qualities of the troops of the Third War Zone under General Ku Chu-tung were recognized as existing on paper only. The Japanese are reported (by agents of Marshal Li and the Communists) to have agreed to act as the Generalissimo requested: in reaching a decision, they were doubtless influenced by the fact that in destroying the armies of General Hsueh Yueh they would further their own plans for a north-south land route in China.

#### Japanese Campaign in Hunan

During the last week in May, the Japanese launched an attack on the Ninth War Zone; it came very suddenly and over an unnecessarily broad front. It is of interest to note at this point that the majority of Allied and Chinese military observers in south China had not believed the Japanese capable of launching such an attack in a season normally unfavorable to military operations because of the heavy spring rainfall in Hunan where every available land area is devoted to rice fields. The Japanese deployed in the campaign a much larger force than was necessary merely to secure river and road lines of communication between the railhead at Yochow and the railway junction at Hengyang. It became apparent to all during the second week of the campaign that the Japanese were bent not only in securing these communications but in the destruction of Hunan Province and the armies of Hsueh Yueh; their program appeared to be wasteful of manpower and material in view of their increasingly delicate strategic position in the Pacific. By the end of June, it was the consensus of most Allied and Chinese military and civil observers in south China that the Japanese had completely disorganized the troops of the Ninth War Zone, that a military debacle in south China had taken place, and that the Japanese were in position to parade almost without opposition down the Hunan-Kwangsi rail line through Nanning to Langson in French Indochina. The Sixth War Zone and the Third War Zone had made only meagre and totally ineffectual efforts to cooperate with General Hsueh Yueh. The Seventh War Zone had despatched several armies northward to Leiyang (south of Hengyang) in order to resist further Japanese progress southward along the Canton-Hankow Railway. The Fourth War Zone had no force worthy of the name available effectively to block a Japanese drive down the Hunan-Kwangsi Railway without completely exposing their southern border. Although the Generalissimo had

despatched

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despatched elements of his Fifth Mechanized Army from Yunnan to Hunan, they had progressed at such a modest pace that they have not even yet reached the front. (They are now astride the highway at Tushan, Kweichow).

With all of these advantages in their favor, the Japanese suddenly suspended offensive operations as of July 1, and did not again take the initiative until August 5 when they began the attack on Hengyang which led to its fall on August 8. The reasons for this long pause were both military and political. It is true that the persistent efforts of the Fourteenth Airforce against Japanese lines of communication, which had already been partially destroyed by the retreating Chinese, gave rise to a tactical pause by the Japanese to consolidate their services of supply and to regroup their troops who were weary from repeated forced marches under the severe June sun, and weakened by dysentery and malaria. Between July 1 and August 5 they maintained almost entirely fixed positions, encircling Hengyang along the east and west banks of the Hsiang River as far south as Heliang. Against these positions protected by light automatic weapons and some light artillery, the Chinese under orders of the Generalissimo in Chungking issued through his deputy, General Pai in Kweilin, hurled all the remaining provincial forces not engaged in routine garrison duties. These uncoordinated, costly and fruitless operations resulted in a merciless slaughter of poorly equipped and underfed Chinese troops, with only minor casualties to the Japanese. Certain units, such as the Chinese 62nd Army, are said to have suffered 50% casualties in a few days' fighting. It is now generally agreed that the Japanese were only too willing to defeat the Chinese armies at Hengyang under favorable conditions rather than to pursue them through the countryside and to attack them under conditions unfavorable to the Japanese. Certain Chinese officers, particularly those on the staff of General Hsueh Yueh, are of the opinion that in ordering repeated attacks on Japanese positions in Hengyang the Generalissimo was deliberately ordering the destruction of potentially disloyal Chinese forces.

#### Ultimatum to Marshal Li

According to local Communist representatives and to sources close to Marshal Li, the Japanese suspended their drive southward in agreement with the Generalissimo. It is said that the Japanese, in conjunction with the Generalissimo, have delivered an ultimatum to Marshal Li to the effect that if he will give his assurances that he will give up his plans for the establishment of a government in opposition to Chungking, the Japanese will not molest his clique or south China, and will only take over the Canton-Hankow and the Hunan-Kwangsi rail lines if it becomes militarily imperative that they do so; if he does not give such assurances they threaten to destroy Marshal Li's clique and to wreck all of south China. That the Japanese have the available strength to do so is hardly

open

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open to question. Nevertheless, they may decide that under present circumstances it will be unwise to continue to pour in more troops and treasure in the bottomless pit which is China.

Ever since the outbreak of hostilities in Lukou-chiao over seven years ago, the Japanese have been hoping against hope that they can finally force a negotiated peace with the Generalissimo, but however much he personally may wish for a truce with Japan, the march of events and the force of public opinion in China is proving too much for him. It seems probable that Marshal Li's clique, which has the warm support of the Federation of Democratic Parties and the potential cooperation of the Communists and the dissident elements generally, and is far more representative of Chinese public opinion than is the present government at Chungking, will soon come out into the open notwithstanding threats from the Generalissimo and the Japanese alike. If, in consequence, the present regime in Chungking collapses, the result may not be an unmitigated evil to China and to the cause of the allied nations.

Respectfully yours,

Arthur R. Ringwalt,  
American Consul.

Original and one copy to Embassy, Chungking.  
Ozalid process direct to Department.

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ARR:rs

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DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 17, 1941

STRICTLY CONFIDENTIAL

S  
Mr. Secretary:

There is attached for your consideration a revised draft of the document which we gave you yesterday containing comments which you might make to the Japanese Ambassador in regard to the Japanese proposals of September 6 and in regard to the Japanese Foreign Minister's remarks in clarification thereof communicated to Mr. Grew.

It is suggested that these comments might be made to the Japanese Ambassador if he should call on you within the next day or two, provided that the Ambassador's approach takes a form substantially as made by the Japanese Foreign Minister to Mr. Grew, and provided that in the meantime there are no developments which would render modification of our comments advisable.

7/11/94  
FE:Schmidt:HNS



Confidential File

*Handwritten signature/initials*

STRICTLY CONFIDENTIAL

September 19, 1941

ORAL

The American Ambassador at Tokyo has reported that he was informed by the Japanese Minister for Foreign Affairs that instructions were to be sent to the Japanese Ambassador here containing explanatory comment by way of replies to the questions raised in the conversation which took place here on September 10, and that at the same time the Minister for Foreign Affairs made certain comments in reply to questions previously asked by the American Ambassador. The American Ambassador at Tokyo has further reported that he has been told that the Japanese Government will soon inform the American Ambassador of the peace terms Japan is ready to offer China.

A careful review of statements recently received from the Japanese Government has been made and as a result of that study there are offered, in the hope that at this time it may be helpful to the Japanese Ambassador and his Government to have before them the reactions of this Government, informal and interim observations as set forth in the attached document.

733.04/2344-15/25

Confidential File

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JUN 28 1943

STRICTLY CONFIDENTIAL

September 19, 1941

ORAL

Reference is made to the comments made on September 13, 1941, by the Japanese Minister for Foreign Affairs to the American Ambassador at Tokyo in clarification of the Japanese Government's proposals of September 6. From such study as we have been able to make thereof we feel disappointed that the Japanese Government's comments do not dispel our feeling that the Japanese Government's proposals of September 6 serve to narrow and restrict not only the application of the principles upon which our informal conversations have been based but also the various assurances given by the Japanese Government of its desire to move along with the United States in putting into operation a broad program looking to the establishment and maintenance of peace and stability in the entire Pacific area.

On August 28, 1941, the President of the United States received from the Japanese Ambassador a message from the Prime Minister of Japan and a statement by the Japanese Government marked "Strictly Confidential". In the latter document the following statement is made with regard to the Japanese stationing of troops in Indochina:

" . . . the Japanese Government has no intention of threatening thereby other countries.

"Therefore, the Japanese Government is prepared to withdraw its troops from Indochina as soon as the China Incident is settled or a just peace is established in East Asia.

"Furthermore,

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"Furthermore, in order to remove all possible doubt in this regard, the Japanese Government reaffirms herewith its repeated declaration that its present action in Indochina is not a preparatory step for military advance into neighboring territories."

The above assurances were made specifically applicable to Thailand by the statement:

"The Japanese Government believes the above will suffice to clarify also Japan's intentions toward Thailand."

Specific reference is also made to the Soviet Union by the Japanese Government as follows:

"As regards Soviet-Japanese relations, the Japanese Government declares likewise that Japan will take no military action as long as the Soviet Union remains faithful to the Soviet-Japanese neutrality treaty and does not menace Japan or Manchukuo or take any action contrary to the spirit of the said treaty . . . "

There is also a comprehensive statement, as follows:

"In a word, the Japanese Government has no intention of using, without provocation, military force against any neighboring nation."

In its proposal of September 6 the Japanese Government covers the subject of Japan's peaceful intent toward its neighbors with one paragraph:

" . . . Japan will not make any military advancement from French Indochina against any of its adjoining areas, and likewise will not, without any justifiable reason, resort to military action against any regions lying south of Japan."

(It

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(It may be observed that in the text of the Japanese Government's proposal which Ambassador Grew reported he had received from the Japanese Minister for Foreign Affairs the word appearing in the next to the last quoted line above as "south" reads "north".)

We find it difficult to conceive of there developing under present circumstances in any of the territories neighboring Indochina, in Thailand or in the Soviet Union any aggressive threat or provocation to Japan. The inalienable right of self-defense is of course well-recognized by all nations and there therefore could arise in the minds of some question as to just what the Japanese Government has in mind in circumscribing its assurances of peaceful intent with what would seem to be unnecessary qualifying phrases such as the following:

"As long as the Soviet Union remains faithful to the Soviet-Japanese neutrality treaty and does not menace Japan or Manchukuo or take any action contrary to the spirit of the said treaty."

"Without provocation."

"Without any justifiable reason."

In comparing the document received from the Japanese Government on August 28 with the document received on September 6, the more restrictive character of the

latest

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latest proposal is readily apparent.

The document handed to the President by the Japanese Ambassador on August 28 contains further statements as follows:

" . . . the Japanese Government welcomes the invitation by the Government of the United States to an exchange of views in regard to basic policies and attitudes as the foundation of an understanding that will condition lasting and extensive peace in the Pacific area. For such peace, the Government of Japan is ready: for such a united effort toward a peaceful settlement covering the entire Pacific situation the Government of Japan, like the Government of the United States, would be proud to make sacrifices.

" . . . Quite properly, discussions between the Japanese Government and the Government of the United States directed toward ascertaining if there existed a basis for negotiations for a peaceful settlement covering the entire situation, -- such discussions would naturally envisage the working out of a progressive program, obtainable by peaceful methods. The Japanese Government shares fully that view with the Government of the United States . . .

"It is also stated by the United States Government that no proposals or suggestions affecting the rights and privileges of either the United States or Japan would be considered except as these might be in conformity with the basic principles to which the United States has long been committed. The fundamental national policy long cherished by the Japanese Government is again in full agreement on that point.

"Regarding the principles and directives set forth in detail by the American Government and envisaged in the informal conversations as constituting a program for the Pacific area, the Japanese Government wishes to state that it considers these

principles

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principles and the practical application thereof, in the friendliest manner possible, are the prime requisites of a true peace and should be applied not only in the Pacific area but throughout the entire world. Such a program has long been desired and sought by Japan itself."

On September 3, the President of the United States in talking with the Japanese Ambassador referred to and reiterated four principles regarded by this Government as the foundation upon which relations between nations should properly rest. Those principles are:

1. Respect for the territorial integrity and the sovereignty of each and all nations.
2. Support of the principle of non-interference in the internal affairs of other countries.
3. Support of the principle of equality, including equality of commercial opportunity.
4. Non-disturbance of the status quo in the Pacific except as the status quo may be altered by peaceful means.

On September 6, the Prime Minister of Japan told the American Ambassador at Tokyo that he fully subscribes to these four principles.

Such assurances, together with other statements made by the Japanese Government, would seem to justify this Government in concluding that the Japanese Government might be expected to adhere to and to give practical

application

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application to a broad progressive program such as discussed in our informal conversations. Certain points of the Japanese proposals of September 6, however, would seem to restrict the application of those assurances.

Reference has already been made to the single paragraph contained in the September 6 proposals which seemed to be more restrictive and less comprehensive in expressing Japan's peaceful intent than earlier statements of the Japanese Government, such as that received on August 28.

Any arrangement envisaging the stationing of the troops of one country in the territory of another country would seem to be out of keeping with progressive and enlightened procedures designed to promote stable and harmonious relations between them and with the principles of respect for the territorial integrity and sovereignty and of non-interference in the internal affairs of other countries.

It is believed that a clear-cut manifestation of Japan's intention in regard to the withdrawal of Japanese troops from China and French Indochina would be most helpful in making known -- in particular to those who might be inclined to be critical -- Japan's peaceful intentions and Japan's desire to follow courses calculated to establish a sound basis for future stability and progress in the Pacific area.

In



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In our informal conversations we tentatively arrived at an agreed upon formula in regard to economic policy (Section V of the draft understanding). This formula reads as follows:

"On the basis of mutual pledges hereby given that Japanese activity and American activity in the Pacific area shall be carried on by peaceful means and in conformity with the principle of non-discrimination in international commercial relations, the Japanese Government and the Government of the United States agree to cooperate each with the other toward obtaining non-discriminatory access by Japan and by the United States to commercial supplies of natural resources (such as oil, rubber, tin, nickel) which each country needs for the safeguarding and development of its own economy."

In the Japanese Government's proposals of September 6 the commitments contained in the foregoing formula are restricted to the countries of the Southwest Pacific area, and in reference to China, while the Japanese Government states that it will respect the principle of non-discrimination, the explanation given in regard to this point would seem to be open to the implication that the Japanese Government has in mind some limitation upon the application of this principle occasioned by reasons of Japan's geographical propinquity to China.

It is not clear why the Japanese Government appears to be reluctant to make unreservedly a broad commitment in regard to the application of the principles above mentioned to the Pacific area as a whole, which would

include

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include China and Indochina as well as other countries in that area. In this connection reference is made to the formula which was handed informally to the Japanese Ambassador on September 10 and which in our opinion contained alterations of the draft of Section V mentioned above of a nature favorable to the Japanese.

As we have suggested, it is desirable that such commitments as may mutually be given should be of the broadest and most unequivocal character in order that any agreement into which we might enter might be so worded that it would speak for itself and leave no room for doubt that it provides for a comprehensive commitment based squarely on peaceful procedures covering the entire Pacific area.

Obviously, in putting into operation in the Pacific area a broad program such as is envisaged it would be desirable to enlist the support of other governments such as Great Britain, the Netherlands and China, which have important interests and responsibilities in that area. This Government has therefore constantly had in mind consulting with these governments at an appropriate time with a view to examining the desirability of working out between each of those governments and the Government of the United States programs based upon the same broad-gauge principles which underlie the proposed agreement between the United States and Japan.

If this Government is to suggest to the Chinese Government that it enter into negotiations with the Japanese Government,

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Government, it may be expected that the Chinese Government will inquire of this Government what are the basic terms on which Japan proposes to negotiate a peaceful settlement. In order best to insure that the suggested approach to the Chinese Government shall accomplish its purpose, it would seem that this Government would need to know what basic terms the Japanese Government has in mind, and to be able to point out that those terms constitute practical manifestations of the liberal, broad-gauge principles which we have been discussing. In our informal conversations there were discussed the basic terms which the Japanese Government desired to propose to the Chinese Government. We pointed out in those discussions that certain of the terms were not, in our opinion, likely to bring about the desired result.

We have no reason to believe that the Chinese Government is any less desirous than the Japanese Government of composing its differences with Japan, and consequently it would seem to us that if the Japanese Government should offer reasonable terms to the Chinese Government the two Governments should be able to compose those differences. Accordingly, we do not perceive reason for a provision such as that embodied in point (a) of the proposed commitments by this Government.

With

-10-

With regard to point (c) of the Japanese proposals of September 6 relating to the attitude of each country toward the European war, it would be appreciated if the Japanese Government would be so good as to give further study to the question of possible additional clarification.

This Government has been and is basing the course which it is pursuing in its relations with Japan and all other nations of the world upon well-known fundamental principles and policies. As a result of certain conditions and situations in the world, in the Pacific area and in China and Japan, certain political and economic measures have been taken by this Government with respect to other countries. It may be expected that pari passu with the alteration or elimination of the situations and conditions which gave rise to the taking of those political and economic measures, such measures will be modified or discontinued.

As we have endeavored unfailingly to point out, in the opinion of this Government, the principles to which reference has been made offer the only sound basis for worthwhile international relations. If the Governments of Japan and of the United States are resolved to give those principles practical and comprehensive application

we

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

-11-

we can hope to work out a fundamental rehabilitation of the relations between the United States and Japan and contribute to a lasting peace with justice, equity and order in the Pacific area.

CROSS-REFERENCE FILE

NOTE

SUBJECT

Alleged American policy of "encirclement" of Japan: interpellations in Budget Committee of the Lower House, yesterday, in regard to attitude of the Japanese Government toward-

"Nine Power Treaty Conference held at time of outbreak of the China Incident; results well known. In my opinion, U.S. is not undertaking any scheme of encirclement; it is useless to be frightened by imaginary phenomena". Foregoing is reply of Foreign Minister to-,

For the original paper from which reference is taken

See Tel #173; 5pm  
(Despatch, telegram, instruction, letter, etc.)

Dated March 13, 1940 From Japan (Grew)  
To \_\_\_\_\_

File No. 893.51/7051

793.94  
conference

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 18, 1942

S/- Mr. Secretary:

In response to the question raised by you the other day in regard to the British position with reference to a possible fleet movement to the Far East in 1937 there is attached a brief memorandum on the subject with exhibits from the records of the Department.

1937-94  
Conference  
Jmb  
FE:Ballantine:CDS

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

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DC/R: [signature]*

*DC/A*

At the Brussels Conference there was informally and tentatively discussed by the British and American representatives among other possibilities a possible fleet movement to the Far East. The British, who had raised this possibility, were inclined to think that a concentration of naval forces there by the concerned powers might be an advisable and useful gesture. They made it clear, however, that with the European situation being what it was they would have to keep the bulk of their fleet at home, although they could and would do their share by sending "some ships". The British Ambassador at Washington on November 13, 1937 expressed the view to the Under Secretary that if Great Britain, the United States and the other signatories of the Nine Power Treaty desired to prevent Japan from continuing upon her Chinese venture the powers determined to take such preventive action must be determined to pay for it by force. There appears to be no record of any expression of opinion by British, American or other representatives at the Conference as to the magnitude of the naval force that would have been required to cause Japan to desist from the course that she was pursuing.

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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. Hughes NARS, Date 12-18-75

In a conversation at Brussels on November 2 between representatives of the British and American delegations to the Brussels Conference, Mr. Eden explained that Great Britain was seriously disturbed over developments in the Far East but that at the same time she felt herself threatened in Europe. Mr. Eden said he wished to give Mr. Davis a categorical assurance that Great Britain would be willing to go just as far in the way of direct action in the Far East as the United States but no further. For obvious reasons the British Government had been playing down its willingness to take so strong a stand, particularly as it could not judge how far America would be willing to go but the assurance he had given was not given lightly and represented the considered views of the British Government. He denied that if the powers pursued policies which provoked retaliation the United States would have to bear the brunt and said that although the bulk of the British fleet would have to stay at home nevertheless Britain could and would send some ships to the Far East and assume her share. (Despatch from the American delegation at Brussels dated November 9, 1937.)

793.94 Conference/281

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

In a conversation on November 10 between members of the British, French and American delegations at Brussels there was discussed inter alia France's position with regard to traffic in munitions through Indochina to China. In this connection Mr. Delbos said that France would be glad to guarantee anyone else's possessions in the Far East but that she in turn must receive a guarantee of her possessions. Mr. Eden then explained that England was willing to go as far as the United States. He assumed that we might have given consideration to stopping all sales to and purchases from Japan. If this idea was not practicable we might send ships to the Orient making a display of force. (Enclosure, No. 1 of Despatch from American delegation at Brussels, dated November 18, 1937.)

793.94 Conference/304

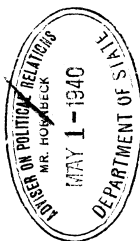
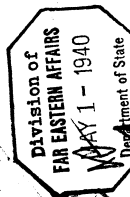
In a conversation at Washington on November 13, 1937 between the Under Secretary and the British Ambassador, the Ambassador said that Mr. Davis at Brussels had discussed among other possibilities a possible fleet movement in the Pacific on the part of the United States, Great Britain and France. The Ambassador stated that his records disclosed no conversation envisaging any military sanction. With regard to this point the Ambassador said it was evident that the British Government was tied by the legs to Europe and was not in a position to undertake any possible hostilities in the Pacific unless it were possible to be assured in advance that it would receive military and naval support from the other signatories of the Nine Power Treaty. He stated that if Great Britain, the United States and other signatories of the Nine Power Treaty desired to prevent Japan from continuing upon her present venture in China, the powers determined to take such preventive action must be prepared to pay for it by force. With regard to the application of sanctions of one kind or another, the Ambassador said that the British Government had had its bitter experience in that regard during the conquest of Ethiopia by Italy and that it had been forced to the conclusion that the application of economic sanctions merely inflamed the nation against which they were applied without having a more deterrent effect and that the failure of such measures would have prejudicial effect upon any form of collective security.

793.94 Conference/251

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

Mr. Davis in a telegram from Brussels dated November 14, 1937 (793.94 Conference/236) reported that Mr. Eden had said that although Great Britain could not possibly challenge Japan single handed with the situation in Europe what it is, they could send several battleships, et cetera to the Far East and that Mr. Eden is inclined to think that a concentration of naval forces might be an advisable and useful gesture.

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



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FROM:  
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INFO:

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CINCPAC, COMNAVFOR PAC  
AMEMBASSADOR CHINA; ALUSHA TOKYO;  
STASHPSPAT HANOI & SHANGHAI; ALUSHA  
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Quate NARS, Date 12-18-75

CROSS-REFERENCE FILE

NOTE

**SUBJECT** Concurrent Resolution of the Senate, #36, Jan 16, 1940,  
Declaring a state of war to exist between Japan and China.  
Encloses -, for consideration and possible recommendations  
and report thereon.

793.9411/7

For the original paper from which reference is taken

See Letter  
(Despatch, telegram, instruction, letter, etc.)  
Senate, U.S.  
Foreign Relations Committee  
Dated Jan 18, 1940 From }  
To }  
File No. 793.94/15614

U. S. GOVERNMENT PRINTING OFFICE 1-1540

FRG.

7

~~WCK~~  
~~MA~~  
~~WMA~~  
~~MA~~  
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 12, 1940

Tokyo's despatch no. 4736, May 31, 1940,  
"Japanese Violation of Hong Kong Neutrality".

The Embassy encloses a copy of a note  
verbale, dated May 20, 1940, from the British  
Embassy to the Japanese Ministry of Foreign  
Affairs.

This note reports the flight of five Japa-  
nese aircraft over British waters on April 13  
and requests that effective steps be taken to  
prevent a repetition of such incidents.

Reference was also made to an aide-mémoire  
of June 23, 1939, to the effect that combatant  
aircraft violating Hong Kong's neutrality is  
liable to receive anti-aircraft fire and that  
the British Government would take no responsi-  
bility for the consequences.

793.94111/127

I BW  
FE:White:HJN



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



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

AMERICAN EMBASSY  
Tokyo, May 31, 1940.

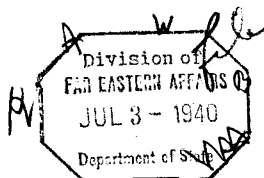
No. 4736.

SUBJECT: JAPANESE VIOLATION OF HONG KONG NEUTRALITY.

RECEIVED  
DEPARTMENT OF STATE

1940 JUL 2 PM 3 19

DIVISION OF  
COMMUNICATIONS



For Distribution-Check		Yes	No
Grade	To Field		V
For	In U.S.A.	V	
	OK, M48		

COPIES SENT TO  
C.N.A. AND M.I.D.  
July 7, 1940

793.94111/127

The Honorable

The Secretary of State,  
Washington.

Sir:

I have the honor to transmit for the Department's  
1/ information and records a copy of the British Embassy's  
note verbale No. 103 addressed on May 20, 1940, to the  
Japanese Ministry of Foreign Affairs on the subject of  
violation

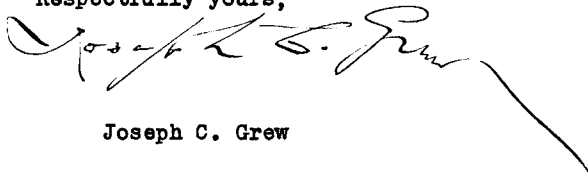
F/N

-2-

violation of Hong Kong neutrality by Japanese aircraft.

- 2/ A copy of the British aide-mémoire referred to therein,  
No. 126 of June 23, 1939, is also enclosed.

Respectfully yours,



Joseph C. Grew

Enclosures:

- 1/ as stated.  
2/ as stated.

711.1

ESC:nn

Original and 2 copies to the Department.  
Copy to Embassy Peiping.  
Copy to Embassy Chungking.  
Copy to Consulate General Hong Kong.  
Copy to Consulate General Canton.

Enclosure No. 1 to despatch  
No. 4736 dated May 31, 1940,  
from the Embassy at Tokyo.

(Courtesy of the British Embassy to the American Embassy.  
Received May 22, 1940.)

The British Embassy to the Japanese Ministry of Foreign  
Affairs.

No. 103(9/74HK/40)

NOTE VERBALE

His Majesty's Embassy present their compliments to  
the Imperial Japanese Ministry of Foreign Affairs and have  
the honour to refer to their Aide Memoire No. 126 of the  
23rd June, 1939, on the subject of the violation of Hong  
Kong neutrality by Japanese aircraft.

2. His Majesty's Embassy are now informed that in  
the course of two raids on Sha U Chung on the shores of  
Mirs Bay, on the 13th April last at 10.30 and 11.10 a.m.,  
the five Japanese aircraft taking part flew over British  
waters during each of the two raids.

3. His Majesty's Embassy have the honour to request  
that effective steps may be taken to prevent a repetition  
of such incidents and to draw attention to the statement in  
their Aide Memoire under reference to the effect that any  
combatant aircraft which may violate Hong Kong's neutrality  
is liable to be received with anti-aircraft fire, in which  
event His Majesty's Government can take no responsibility  
for the consequences.

British Embassy,

Tokyo.

20th May, 1940.

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

Enclosure No. 2 to despatch  
No. 4736 dated May 31, 1940,  
from the Embassy at Tokyo.

(Courtesy of the British Embassy to the American Embassy.  
Received June 29, 1939.)

The British Embassy to the Japanese Ministry of Foreign  
Affairs.

AIDE MEMOIRE

On the 1st June the Japanese Consul-General at Canton informed His Majesty's Consul-General that he had heard on good authority that a Chinese military aeroplane was leaving an aerodrome on Hongkong territory that night for Chungking and that three more were due to leave early the next morning for a similar destination. Mr. Okazaki stated that Japanese aeroplanes would be waiting to prevent their flight and would, if necessary, attack any base which they might be using. His Majesty's Consul-General immediately pointed out that any attack by Japanese aircraft within British territory would have the most serious consequences.

The incorrectness of the information which had reached Mr. Okazaki was speedily established and he was informed accordingly. He replied, however, that Japanese authorities could take no chances, and would pursue Chinese war aeroplanes over British territory if necessary.

It is hoped that Mr. Okazaki's attention will be drawn to the fact that the pursuit of enemy aircraft over neutral territory is not allowed in International Law. Consequently, any combatant aircraft violating the

neutrality

-2-

neutrality of Hongkong is liable to be received with  
anti-aircraft fire, in which event His Majesty's Gov-  
ernment could take no responsibility for the consequences.

British Embassy,

Tokyo.

23rd June 1939.

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

PREPARING OFFICE  
WILL INDICATE WHETHER

Collect { Full rate  
Day letter  
Night letter

Charge Department:

Full rate  
Day letter  
Night letter

Charge to

\$

AMEMBASSY,

TOKYO (JAPAN)

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

VI

AND RECORDS

CHINA).

NR

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

This code is a Confidential Code.  
It should be used only by authorized personnel before  
it is communicated to anyone. A-1

Reference your 694, December 20, 2 p.m., and your  
697, December 21, 7 p.m., in regard to the question of  
reopening to navigation the Yangtze River from Nanking  
downwards.

On December 26 the British Ambassador left at the  
Department an aide-memoire describing the conversation  
of December 18 between the British Ambassador to Japan  
and the Japanese Vice Minister for Foreign Affairs. The  
Vice Minister is reported to have said that the date  
upon which navigation on the lower Yangtze could be  
resumed depended upon the making of arrangements for  
handing over hulks, et cetera, hitherto occupied for  
defense purposes, and the negotiation of international  
arrangements governing the resumption of navigation.  
The British Embassy inquired whether the Japanese  
Government had proposed similar discussions with the  
Government of the United States and if so what attitude  
this Government proposed to adopt. The Department is

Enciphered by \_\_\_\_\_

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_.

# TELEGRAM SENT

Department of State

TO BE TRANSMITTED

CONFIDENTIAL CODE

~~XXXXXXXXXXXXXXXXXXXX~~

PARTIAL

PLAIN

NAVAL RADIO

Washington,

1940 JAN 2 PM 3 30

December 20, 1939

6 PM A

793.9412/287

793.9412/287

F/N

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

PREPARING OFFICE  
WILL INDICATE WHETHER  
Collect ☐ Full rate  
☐ Day letter  
☐ Night letter

## TELEGRAM SENT

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PARTIAL  
PLAIN

### Department of State

Charge Department:  
Full rate  
Day letter  
Night letter

-2-

Washington.

Charge to  
\$

replying that the Japanese Minister for Foreign Affairs had on December 18, suggested to you the necessity for consultation with various powers but had not repeat not proposed detailed discussions. The Department is also stating that it shares the view of the British Government that any conversations that may be required should not repeat not be enlarged into the negotiation of any formal agreement; that this Government considers that for its part any needed conversations should be restricted to necessary practical arrangements concerning subjects such as the handing over of hulks, et cetera, and should not repeat not involve any question of curtailment of any of its rights or of the rights of its nationals.

For your information and guidance the Department feels that any such conversations, if held, should be held in China.

Sent to Tokyo. Repeated to Peiping and Chungking.

793.94112/287

WAA  
FE:WAA:JPS/HES

FE

PA/H

DEC 23 1950 PM

5 pm

Enciphered by \_\_\_\_\_

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_

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

121399

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 4, 1940.

PA/H

Mr. Hornbeck:



Reference Shanghai's telegram No 7, January 3, 6 p.m. in regard to difficulties anticipated by the Inspector General of the Chinese Maritime Customs in connection with the projected opening of the Yangtze to general navigation as far up as Nanking.

The Inspector fears that the Japanese will make demands that cannot be complied with in regard to the customs staffs at Nanking and Chinkiang. His impression is that the Japanese may even refuse to reopen the Yangtze in the absence of compliance with their requirements regarding the customs or may otherwise independently appoint, from Tokyo, a Japanese staff.

It is recommended that the Dep't take no action on the telegram under reference. An approach to the Japanese by the American authorities in regard to the Customs houses at Nanking and Chinkiang would undoubtedly elicit statements from the Japanese in regard to conditions attached by them to the reopening of the Yangtze below Nanking.

993.14112/299




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

- 2 -

The Department's attitude toward the question of conversations with the Japanese in regard to the opening of the lower Yangtze was expressed as follows in telegram No. 1, Jan 2, 6 p. m. to Tokyo:

" \* \* this Government considers that for its part any needed conversations should be restricted to necessary practical arrangements concerning subjects such as the handing over of hulks, et cetera, and should not involve any question of curtailment of any of its rights or of the rights of its nationals."

  
FE:Adams

121400

TELEGRAM RECEIVED

HSM

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

FROM Shanghai via N. R.

Dated January 3, 1940

Rec'd 1:23 p. m.

Secretary of State,  
Washington.



7, January 3, 6 p. m.

Shanghai's 1133, December 22, 4 p. m.

Inspector General of Customs Maze states in a confidential letter addressed to this Consulate General that a Secretary of the Japanese Embassy informed him on December 26 that the Inspectorate General should reopen the custom houses at Nanking and Chinkiang as an essential preliminary to the proposed opening of the Yangtze. Maze replied that consideration would be given the matter and suggested that the proposals be put in writing.

The Inspector General states further that he has learned that the Japanese Government will demand that Japanese commissioners be appointed at both of the above mentioned places and that a large number of the staff shall be Japanese. He states that it will probably be difficult to compromise on basis of appointment of a non-Japanese

793.94112/299

F/FG

JAN 8 1940

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

121401

667

hsm -2- No. 7, January 3, 6 p. m., from Shanghai(Section 1)

non-Japanese foreign commissioner with an additional  
Japanese administrative or deputy commissioner and with  
provision that some of the staff be Japanese. (END  
SECTION ONE).

GAUSS

RR

121402

**TELEGRAM RECEIVED**

FROM

JR

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

Shanghai via N. R.

Dated January 3, 1940

Rec'd 11:55 a.m.

Secretary of State,

Washington.

7, January 3, 6 p. m. (SECTION TWO).

He observes that he cannot state that the National  
Government would either approve the proposed reopening  
of the two customhouses or accept such a compromise as  
outlined, but he concludes by stating that his impression  
is that the Japanese may even refuse to reopen the Yangtze  
in the absence of compliance with their requirements regard-  
ing the customs, or may otherwise independently appoint,  
from Tokyo, a Japanese staff.

The Secretary of Embassy indicated in the course of  
the interview the Yangtze would probably be opened as far  
as Nanking about the end of February or beginning of March,  
but he stated that no date had yet been fixed.

Repeated to Peiping, Chungking, Tokyo.

END MESSAGE.

GAUSS

WWC

## TELEGRAM RECEIVED

FROM

HSM

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

Canton via N. R.

Dated January 9, 1940

Rec'd 1:45 p. m.

Secretary of State,  
Washington.

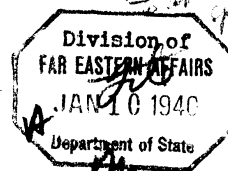
4, January 9, noon.

Reference my 2, January 5, 8 p. m.

Yesterday during the call of a member of the staff of this office at the Japanese Consulate General he brought up the matter of the reopening of the Pearl River to general commercial traffic and of the interest of concerned American manufacturers in obtaining supplies of waste silk from this area. He was informed that the matter of transportation of cargo under permits by the British passenger carrying vessel operating between Canton and Hong Kong was under discussions with the British authorities and that it was likely that a permit system would be put into effect at an early date and continued for some time after the opening of the river to third power navigation. It was stated that this system would apply both to exports and imports.

This office was given to understand that if the American Silk Spinning Company contracted with a local firm

January 12 1940



793.94112/302

FEB 7 1940

F/N

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

hsm -2- No. 4, January 9, noon, from Canton

firm for the shipment of a specified cargo of waste silk and the shipper applied for permission to export the application would receive favorable consideration.

For the Department's information the Standard Vacuum Oil Company has received permission to bring in a shipment of diesel oil from Hong Kong.

Repeated to Chungking, Peiping, Hong Kong.

MYERS

DDM

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

## TELEGRAM RECEIVED

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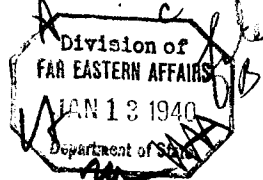
This telegram must be  
closely paraphrased be-  
fore being communicated  
to anyone. (BR)

Tsingtao via N.R.

FROM Dated January 13, 1940

Rec'd 8:01 a.m.

Secretary of State,  
Washington.



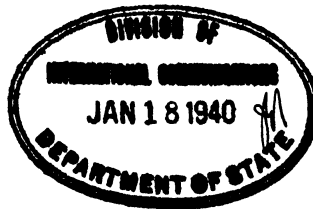
793.94112 5, January 13, 11 a.m.

At the request of the Japanese Consul General I am  
meeting him this afternoon at 3 o'clock when I believe he  
will announce that another wharf will be opened to third  
power vessels.

Repeated Peiping, Chungking, Shanghai. By cable to  
Tokyo.

CSB

SOKOBIN



FILED  
JAN 22 1940

793.94112/305

F/N

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 15, 1940

~~W.A.A.~~  
~~J.W.E.~~  
~~M.H.H.~~

~~PA/H.~~

Tsingtao's telegram no. 6, January 13,  
3 p.m.

It will be noted from this telegram that an additional berth is being "opened" to vessels of all nationalities, but that the conditions and restrictions placed on the use of the berth (cargo-handling coolies to be hired exclusively by the wharf company, Japanese permission for loading and unloading, permits for embarkation and disembarkation of passengers, ship's agent, crew, et cetera) tend to vitiate the benefits which might otherwise accrue to non-Japanese foreign shippers.



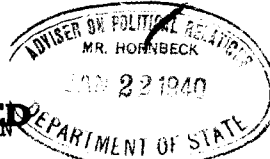
793.94112/306

GA

FE:Atcheson:HJN



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



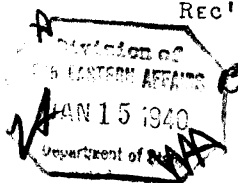
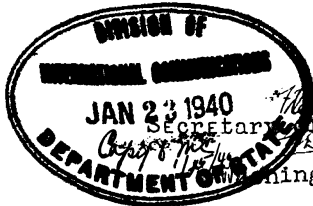
TELEGRAM RECEIVED

HM

Tsingtao via N.R.

FROM Dated January 13, 1940

Rec'd 11:15 a.m.



FE memo

edx

793.94112

6, January 13, 3 p.m.

Following memorandum just handed me by Japanese Consul General.

"Additional opening of a berth and other harbor facilities to the third power shipping at Tsingtao Great Harbor and certain regulations thereof.

"One. Number six berth of number one wharf is to be opened to the vessels of all nationalities on and after January 13, 1940 in addition to the already opened berths numbers four and five of number one wharf and number four wharf. Godowns numbers four and five are to be put into use for third power vessels as well as Japanese. The use of above facilities will not be suspended wholly or partly unless military necessities make it imperative. However, the use thereof of a third power vessel will be suspended in case there exists a positive proof that the vessel is in communication with the Chinese forces guerrillas and has taken any action beneficial

793.94112/506

F/N

-2- #6, January 13, 3 p.m. from Tsingtao

beneficial to the enemy.

"Two. (a) Only those coolies hired exclusively by the wharf company shall engage in the loading and unloading of cargo within the wharf compound. (b) Only those firms or individuals having the permission of the wharf company shall engage in transportation of foods within the boundary of the said wharves. (c) The loading and unloading of cargo and the embarkation and disembarkation of passengers at night will be allowed. However, the permission of the Japanese authorities concerned is required for the time being. (d) Any person, clause passenger, ships agent, ships crew, employee of any firm, etc. end clause can go on board or get off the vessels lying alongside the wharf upon the presentation of a permit issued by the Japanese authorities concerned".

Sent to Peiping, Chungking, Shanghai. Air mail to Tokyo.

SOKOBIN

RR

TELEGRAM RECEIVED

HSM



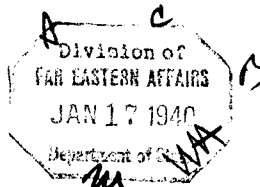
GRAY

FROM Tsingtao via N. R.

Dated January 16, 1940

Rec'd 2:56 p. m.

Secretary of State,  
Washington.



7, January 16, 9 a. m.

793.94112  
The following memorandum <sup>was prepared</sup> ~~was~~ by the American Chamber of Commerce at Tsingtao prior to the announcement quoted in my telegram No. 6 of January 13, 3 p. m., regarding harbor facilities but is sent at the request of the Chamber as of possible interest to the Department.

"In respect to suggested partial opening of the Yangtze River under implied restricted conditions as far as Nanking to foreign shipping, the Tsingtao American Chamber of Commerce respectfully <sup>suggest</sup> ~~that~~ that a situation analogous to the partial opening of Tsingtao wharf facilities for foreign shipping may result.

"From March 25, 1939, allotment of two general cargo berths at pier No. 13 and one dangerous cargo berth at pier No. 4, up to December 31st, 1939, a total of 1316 vessels have been accommodated at these berths in Tsingtao. 1352 vessels were forced to handle cargo and passengers

at

793.94112/307

F/N

hsm -2- No. 7, January 16, 9 a. m., from Tsingtao

at the unsuitable and most inconvenient back bay anchorage, which anchorage was never utilized prior to the Japanese occupation of Tsingtao in 1938, due to the fact that sufficient wharf accommodation does exist at Tsingtao for all shipping. During this period all but two Japanese vessels using the port of Tsingtao were accommodated promptly with wharf facilities at the four piers for ocean ships. Immediately after the original allotment of berths a genuine attempt was made to accommodate the foreign vessels at the two berths but gradually these facilities were used for Japanese purposes until the month of September when not one foreign vessel had the use of the allotted berths. Specifically, preference is always granted Japanese vessels through medium of various monopoly practices including labor, lighterage and details providing prompt despatch. By means of permit requirements Japanese authorities control native merchants' export freight bookings resulting in foreign vessels only handling cargo not desired or unsuited to Japanese bottoms. Example the steamship NORDVEST arrived at Tsingtao from the Pacific Northwest with a cargo of three million feet of lumber on November 1st, 1939, and she was deliberately delayed for a period of 35 days in discharging. Foreign vessels find deliberate delays very costly and at present are refusing to

hsm -3- No. 7, January 16, 9 a. m., from Tsingtao.

to call at Tsingtao due to uncertain despatch. This has resulted in Pacific Coast lumber merchants being unable to secure tonnage for Tsingtao and recently Japanese vessels have undertaken this trade following assurance of prompt despatch from Tsingtao.

"The Tsingtao American Chamber of Commerce respectfully recommend extreme caution in accepting any proposed partial Yangtze River arrangements which most probably will result in only a gesture as is the case at Tsingtao notwithstanding the world-wide publicity given the subject by the Japanese at the time of the berth allotment in March 1939."

Repeated to Peiping. True reading by registered airmail to Tokyo and to Chungking and Shanghai.

SOKOBIN

C3B

(\*) Apparent omissions

TELEGRAM RECEIVED

JT

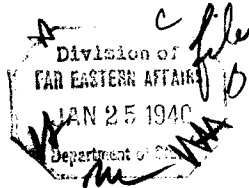
GRAY

FROM TSINGTAO VIA N.R.

Dated January 24, 1940

Rec'd 7:35 p.m.

Secretary of State,  
Washington.



793.94112

January 24, 2 p.m.

What is the source of SHANGHAI EVENING POST story  
quoting local Chamber of Commerce memorandum on opening of the  
Yangtze which I sent in my telegram No. 7, <sup>307</sup> January 16, 9 a.m.  
Japanese Consul is calling upon me this afternoon in regard  
thereto.

Sent to Shanghai. Repeated to the Department and  
Peiping.

SOKOBIN

LMS:NPL

793.94112/309

JAN 29 1940

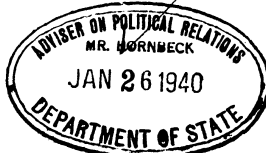
FILED

F/FG

121403 CR

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

January 26, 1940.



~~CA~~  
~~10/11~~  
~~PA/H~~  
Reference attached telegram  
no. 70, January 24, 6 p.m., from  
Shanghai, opening of the Yangtze.

In the telegram under refer-  
ence there is reported what in  
effect is a request by the In-  
spector General that the American  
Government attempt to influence  
the Chinese Government to accept  
Japanese demands in regard to  
customhouses at Nanking and  
Chinkiang.

It is realized that the at-  
tached draft of a reply is not  
helpful from the viewpoint of the  
Inspector General, but it is felt  
that the Department should not  
become involved in efforts to  
persuade the Chinese Government  
to accede to Japanese demands in  
regard to the customs service.

793.94112/310

VAA  
FE:Adams:HES

793.94112/310

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

121404

Repeated to Hankow  
for Ambassador's information

# TELEGRAM RECEIVED

JT

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

SHANGHAI VIA N.R.

FROM

Dated January 24,

Rec'd 3:13 p.m.

Secretary of State,  
Washington.

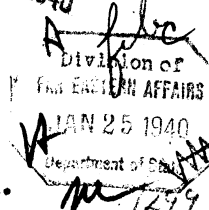
70, January 24, 6 p.m.

Reference my No. 7, January 3, 6 p.m. regarding opening  
of Yangtze.

One. Inspector General of Customs informs me that  
Japanese Counsellor of Embassy on January 20 handed him a  
memorandum incorporating Japanese "requests" regarding re-  
opening of customhouses at Nanking and <sup>Chinkiang</sup> ~~Chungking~~ in the near  
future, perhaps early March.

Two. Before acting in the matter the Inspector General  
feels that he should know whether the interested powers de-  
sire reopening of the Yangtze to Nanking as proposed by the  
Japanese. He inquires as to the attitude of American Govern-  
ment. If the powers desire opening of river he feels that  
they must be prepared to take action at Chungking to ensure  
that he will not receive peremptory instructions forbidding  
him to reopen the customhouses. He anticipates that unless  
such action is taken he may be ordered not to reopen and  
this situation would be taken advantage of by Japan either  
to postpone opening the river on the ground that the customs

refuse



Rel to Shanghai

793.9412/310

F/FG



121405

-2- #70, Jan 24, 5 p.m., from Shanghai via NR

refuse to cooperate, or on the other hand to impair integrity of the customs by the Japanese or puppet regimes reopening customhouses with their clerical personnel.

Three. Inspector General has made similar approach to British and French embassies which are reporting to their ambassadors now at Chungking. British Embassy here is (suggesting?) suggested to Ambassador that a reply be sent to Inspector General to effect that if and when the Yangtze is opened it is hoped that the customhouses will be operated under Inspector General and that it is desired that latter keep Embassy informed of developments and advise Embassy in advance when he proposes to report to the Chungking Government, the Ambassador meanwhile to consider what if any approach might effectively be made at Chungking.

Repeated to Chungking, Peiping. Cipher text to Tokyo by air mail.

GAUSS

JWR:EMB

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

PREPARING OFFICE  
W&L INDICATE WHETHER

TO BE TRANSMITTED  
☒ CONFIDENTIAL CODE ☒  
NONCONFIDENTIAL CODE  
PARTAIR  
PLAIN  
"A"

121406

TELEGRAM SENT

Department of State

Washington, NAVAL RADIO  
January 26, 1940.  
2 PM

Collect ☐ Full rate  
☐ Day letter  
☐ Night letter

Charge Department:  
☐ Full rate  
☐ Day letter  
☐ Night letter

Charge to \$

AMERICAN CONSUL,  
SHANGHAI (CHINA) via NR

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

43

✓ Your 70, January 24, 6 p.m., opening of Yangtze.

In reply to inquiry of the Inspector General of the Chinese Maritime Customs, please inform him that this Government has consistently objected to any interference with the rights of Americans <sup>with respect to</sup> navigation and trade on the Yangtze and naturally desires to see normal navigation on the Yangtze restored; that this Government is likewise, as it has repeatedly indicated, interested in the maintenance of the administrative integrity of the Chinese Maritime Customs; but that this Government <sup>is not inclined at this moment</sup> ~~does not wish~~ to attempt to influence the Chinese Government in its attitude in the matter under consideration.

Sent to Shanghai. Repeated to Chungking and Peiping. Peiping please send cipher text to Tokyo by air mail.

793.94112/310

FE:WAA:HES

GA FE PA/H

Enciphered by \_\_\_\_\_

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94112/310

F/N

DECLASSIFIED: E.O. 11652, 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

121407

TO BE TRANSMITTED  
X CONFIDENTIAL CODE X  
NONCONFIDENTIAL CODE  
PART AIR  
PLAIN

Collect

Charge Department

OR

Department of State

Charge to

It is to be of a confidential nature.

It is to be of a confidential nature.

It is to be of a confidential nature.

1940 FEB 20 20 PM 4 39

Washington,

NAVAL RADIO

February 18, 1940.

AMERICAN CONSUL,

SHANGHAI (CHINA).

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

✓ 74 Your 70, January 24, 6 p.m., and Department's 43,  
January 27, 2 p.m., opening of Yangtze.

The British Embassy here has informed the Department of an approach to the British Embassy to China by the Inspector General of Customs along the lines of the approach described in your telegram under reference. The British Embassy stated that the British Ambassador to China felt that no repeat no approach should be made to the Chinese Minister of Finance until the Inspector General of Customs had informed the British Embassy of his intention to ask for instructions. The British Embassy asked whether this Government would support the British Government in urging the Chinese Government not repeat not to instruct the Inspector General of Customs to refrain from opening the customhouses at Chinkiang and Nanking.

793.94112/310

Enciphered by \_\_\_\_\_

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19 \_\_\_\_\_

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

F/N

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

PREPARING OFFICE  
WILL INDICATE WHETHER

Collect

Charge Department  
OR

Charge to  
\$

TELEGRAM SENT

121408

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PARTAIR  
PLAIN

Department of State

Washington,

-2-

In reply the Department gave the British Government the substance of its telegram under reference and added that, if (and when the Inspector General of Customs <sup>should</sup> inform ~~the American Consul at Shanghai~~ <sup>the American Consul at Shanghai</sup> of his intention to ask the appropriate Chinese authorities for instructions, this Government would, in the light of the situation then existing, be willing to give the question of its attitude in the matter further consideration.

Sent to Shanghai. Repeated to Chungking and Peiping. Peiping please send cipher text to Tokyo by air mail.

H. Lee

SKH

793.94112/310

WAA  
FE:WAA:HES

GA/FE  
FE  
M.P.

PA/H

FEB 20 1940

Enciphered by .....

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

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

FE

## TELEGRAM RECEIVED

FROM

FS

PLAIN

Chungking via H. R.

Dated January 25, 1940

Rec'd 11 a.m.

Secretary of State,  
Washington.

Division of  
EASTERN AFFAIRS  
JAN 25 1940  
310

793.94112

45, January 25, 5 p.m.

We have repeated Shanghai's No. 70 to Hankow for the  
Ambassador's information.

Repeated to Peiping and Shanghai.

JDM

PECK

*Re Customs at Hankow & Chungking*

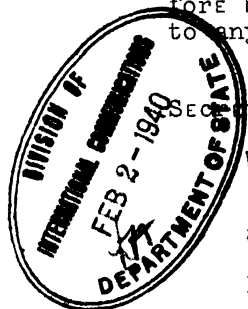
793.94112/311

JAN 30 1940

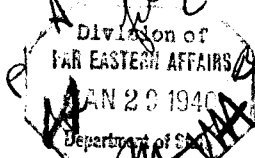
F/FG

121409

AC  
This telegram **TELEGRAM RECEIVED** a N.R.  
closely paraphrased be-  
fore being communicated Dated January 27, 1940  
to anyone. (Br)



FROM REC'D 6 a.m., 28th.



*Shannon  
JAN 28 1940  
JLW*

Secretary of State  
Washington

8, January 27, 2 p.m.  
Reference my 162, December 31, 4 p.m.

CONFIDENTIAL. Information obtained by the  
Commissioner of Customs from the Japanese Consulate  
General is to the effect that the Yangtze and Pearl  
rivers will be opened at the same time; that the  
Pearl River will be opened gradually; that during  
the first stage cargo transportation will be limited  
to a certain number of river steamers plying between  
Hong Kong and Canton, ~~coastal~~ <sup>coastal</sup> and other river vessels  
wishing to enter will be required to obtain special  
permission for each trip (the procedure which has been  
in force); that in addition to customs rules and regu-  
lations all vessels will have to conform to special  
rules as to navigation hours, pilotage, et cetera;  
that the Japanese authorities intend creating very  
shortly a pilotage board which will at outset be  
controlled by Japanese Navy but will be handed over  
to Customs after river is reopened.

As regards staff, the Consulate General has

according

FEB 6 1940

RECORDED

F/N

793.94112/312

121410

- 2 - #8, January 27, 2 p.m. from Canton

according to the Commissioner indicated that until the river is opened unconditionally (when thirty-two Japanese members of the staff will be required) the Japanese will be satisfied with sixteen members including one each administrative commissioner, assistant, additional harbor master, and examiner and twelve tide waiters. The seven officers now on transfer from Tientsin are regarded as part of this number and apparently will meet immediate requirements.

Repeated to Chungking, Peiping, Hong Kong.

MYERS

DDM

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

JR

TELEGRAM RECEIVED

Hong Kong via N. R.

FROM Dated January 30, 1940

Rec'd 9:08 a.m.

Secretary of State,

Washington.

41, January 30, 4 p.m.

CONFIDENTIAL.



CONFIDENTIAL

Regarding expected reopening of Pearl River Commissioner of Chinese Customs at Hong Kong understands that for the present no additional Japanese members of the staff will be appointed although some existing Japanese members may be transferred here from elsewhere. END OF CONFIDENTIAL.

Recent visit to Macao confirms operation of regular freight service between Macao and Canton by Portuguese steamer as stated in Canton's telegram 160 of December 29, 4 p.m., although practically no silk now being received from Canton by that route attributable to this being off season for silk.

Hong Kong merchants pessimistic regarding any special trade benefits to them upon reopening of river as imports into Canton area will meet increased competition from Japan including probable duty free entry of Japanese goods. Foreign firms may derive greater benefit from exports via Pearl River although Japanese are expected to impose some export restrictions.

Repeated to Chungking, Peiping and Canton.

CSB

SOUTHARD

793.94112/313

FILED

F/FG



121411

FE

**TELEGRAM RECEIVED**

HSM

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

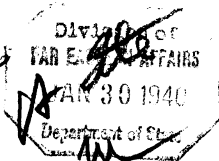
FROM

Canton via N. R.

Dated January 30, 1940

Rec'd 12:50 a. m.

Secretary of State,  
Washington.



9, January 30, 5 p. m.

Reference my 8, January 27, 2 p. m.

CONFIDENTIAL. According to the Commissioner of

Customs the Japanese Consulate General yesterday in-  
formed him that the Japanese Government was extremely  
anxious that the first stage in the opening of the Pearl  
River for cargo transportation be carried out at once;  
that it was essential for this purpose that seven  
Japanese customs officers (mentioned in my telegram  
under reference) be appointed and arrive here; and  
that the Japanese Navy was prepared to furnish air  
transportation for them from Shanghai. The Consulate  
General further stated that representatives of the  
Japanese Army and Navy had arrived here on the 27th  
by airplane from Japan in order to expedite the river's  
opening and that delay in the transfer of the seven  
Japanese from Tientsin which had occurred was presumably  
due

793.94112

793.94112/314

F/FG

121412

hsm -2- No. 9, January 30, 5 p. m., from Canton

due to insistence of the Japanese authorities there that Japanese replacements be provided. The Consulate General strongly urged the taking of immediate steps in this matter and it is understood that the Commissioner yesterday telegraphed the substance of treaties to the Inspector General.

As possibly having a bearing on the failure of the Customs authorities to meet the wishes of the Tientsin Japanese, it is understood that in October last slightly over 50% of the foreign personnel of the Customs was Japanese.

It is felt here that the Japanese Government's apparent haste to open the Pearl and Yangtze rivers is prompted by political or diplomatic considerations.

Repeated to Chungking, Peiping, Hong Kong.

MYERS

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

121413

*Gray*

TELEGRAM SENT

TO BE TRANSMITTED

NONCONFIDENTIAL CODE

PARTIAL

PLAIN

Department of State

DEPARTMENT OF STATE

Washington, NAVAL RADIO

1940 FEB 3 PM 1 01

February 3, 1940. *Gray*

~~SECRET~~ AMERICAN AMBASSADOR VISION OF  
COMMUNICATIONS  
~~SECRET~~ U.S.S. AMBASSADOR

*1 pm*

~~TOP SECRET AMBASSADOR~~

793.94112

*note*

793.94

The Department assumes that it will shortly receive from you by radio such comment and information as you may consider to be of significant interest in regard to conditions along the Yangtze River and in central China based upon your observations during your journey and your conversations with American officials and nationals and other persons. The Department believes that your observations and comment will be of special interest at this time in view of various aspects of the situation in the Far East, such as, for instance, the projected partial opening of a section of the Yangtze to commercial navigation and the statements of the Japanese Foreign Minister made before the diet on February 1 relating to Japan's attitude toward American rights and interests in China.

While the handling by the Department of any report you may make will of course depend in part upon the contents of such report as well as upon other factors it is suggested that in the drafting of your report you keep in mind the

Enciphered by .....

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

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94112/314A

F/FG

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

PREPARING OFFICE  
WILL INDICATE WHETHER

Collect

Charge Department  
OR

Charge to  
\$

TELEGRAM SENT

121414

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PARTAIR  
PLAIN

Department of State

Washington.

- 2 -

consideration/that ~~it might be found~~ <sup>we might find it</sup> advisable/possibly/  
upon your return/to Shanghai/ to make/public/the report/or/  
appropriate/portions/thereof/ either at/Shanghai/or at/  
Washington/or at/both/places./ The Department/would/of  
course/appreciate/any/comment/which you/might/wish to/make/  
in regard to this/particular/question./

Hull

~~SKH~~

GA  
FE:GA:REK

FE

PA/H

CR  
FEB 3 1940 PM

Enciphered by .....

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

## TELEGRAM RECEIVED

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

FROM Canton via N. R.  
Dated February 6, 1940  
Rec'd 3:42 p. m.

Secretary of State,  
Washington.

13, February 6, 6 p. m.

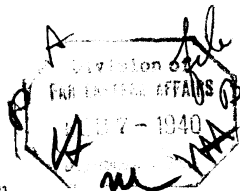
Reference my 9, January 29, 4 p. m. / 314

CONFIDENTIAL. According to information received  
here today the seven Japanese customs officers have been  
assigned to Canton. No other information available.

Repeated to Chungking, Peiping.

MYERS

CSB



793.94112/315

F/FG

RECEIVED  
FEB 13 1940

NO. 1796

**AMERICAN CONSULATE GENERAL,**

Shanghai, January 3, 1940

~~Confidential.~~

DEPARTMENT OF STATE  
A-117C  
FEB 14 1969  
SUB  
CONFIDENTIAL  
ASSISTANT SECRETARY  
OF STATE

**SUBJECT:**

Proposed Reopening of Yangtze River  
to Navigation: Japanese Representa-  
tions Regarding Custom Houses at  
Nanking and Chinkiang.

THE HONORABLE

THE SECRETARY OF STATE.

**WASHINGTON.**

1/

2 I have the honor to refer to my telegram no. 7,  
299  
January 3, 6 p.m., regarding an informal Japanese pro-  
posal that the Custom Houses at Nanking and Chinkiang  
should be reopened preliminary to the reopening of the  
Yangtze River to foreign trade and shipping, and to  
enclose for purposes of record a copy of the letter  
received under date of December 27, 1939, from the  
Inspector General of Customs regarding the matter.

It will be observed from the enclosure to that letter that the Japanese Secretary of Embassy making the representations requested Inspector General Maze to draft his views on the general procedure to be followed in connection with the proposal for the reopening of the Custom Houses, but that Mr. Maze contended that it was not for him in existing circumstances to draft such proposals; and that the Japanese Secretary thereupon said that

793.94112/316

F/A

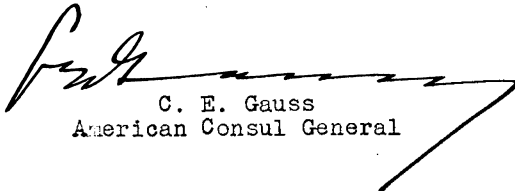
1 FEB 20 1940

1-1221  
030

-2-

that in view of the Inspector General's refusal to  
comply with that request the Japanese would present  
their requirements in writing.

Respectfully yours,

  
C. E. Gauss  
American Consul General

Enclosure:

- 1/- Copy of letter from Inspector  
General of Customs, dated  
December 27, 1939, with  
enclosures.


880/620  
EC MB

In Quintuplicate.

Copy to Embassy, Peiping (by hand via Tokyo).

Copy to Embassy, Chungking.

Copy to Embassy, Tokyo (by hand).

✓ Carbon Copy  
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

Enclosure no. 1 to despatch no. 2797 of C. E. Gauss,  
American Consul General at Shanghai, dated January 3,  
1940, on the subject: "Proposed Reopening of Yangtze  
River to Navigation: Japanese Representations Regarding  
Custom Houses at Nanking and Chinkiang."

Copy.

CONFIDENTIAL

Shanghai Office of the  
Inspectorate General of Customs,  
421 Hart Road.

Shanghai, 27th December, 1939.

Dear Mr. Lockhart,

I desire to inform you that a Secretary of the  
Japanese Embassy called yesterday afternoon and told me  
that the Japanese Government propose to re-open the  
Yangtze River to foreign trade in the near future; and  
that an essential preliminary is the reopening of the  
Custom Houses in Nanking and Chinkiang by the Inspector  
General. I remarked that the question would be examined;  
and that representations of such a nature should be  
formulated in writing. I have since learnt that it is  
the intention of the Japanese Government to demand that  
Commissioners of Japanese nationality be appointed to  
both of these ports and that a considerable proportion  
of the respective staffs should be of Japanese nationality.

In the case of Nanking, where there is no foreign  
Settlement, I foresee difficulty in effecting a compromise  
by endeavouring to appoint a foreign Commissioner of non-  
Japanese nationality with, in addition, either a  
Japanese "Administrative Commissioner" or "Deputy Com-  
missioner", and arranging that a proportion of the Staff  
be of Japanese nationality; and, moreover, it should be  
noted that I am not in a position to state whether the  
Chinese Government would be prepared to endorse such a  
compromise, or even sanction the re-opening of the Custom  
Houses concerned.

I attach hereto a brief summary of the above inter-  
view and I may add that although not definitely stated  
thereat I formed the impression that the Japanese Govern-  
ment may even decline to re-open the Yangtze unless their  
requirements in respect of the Customs are met; or may  
appoint independently a Japanese Staff from Tokyo - thus  
contravening the integrity of the Customs Service.

As it is understood that the United States Govern-  
ment desire to have the Yangtze re-opened to foreign trade  
and shipping as soon as possible, I communicate these  
facts for your information. The British and French  
Ambassadors are being informed accordingly.

Yours sincerely,  
(Sgd) F. W. Maze

Frank P. Lockhart, Esquire,  
American Consul-General,  
Shanghai.

Copied by MB



BRIEF SUMMARY OF INTERVIEW BETWEEN THE INSPECTOR GENERAL  
OF CUSTOMS AND A SECRETARY OF THE JAPANESE EMBASSY ON 26th  
DECEMBER, 1939.

A Secretary of the Japanese Embassy called on the Inspector General on the afternoon of 26th December, 1939, and stated that, as doubtless the Inspector General was aware, resulting from conversations held in Tokyo between the Japanese Government and the British and American Ambassadors, the Japanese intended shortly to re-open the Yangtze to shipping as far as Chinkiang and Nanking. The Secretary stated that before the Yangtze was re-opened it would be necessary to re-establish the Custom Houses at these two ports and the object of his visit, therefore, was to ask the Inspector General to draft his views on the general procedure to be followed in this connection.

The Inspector General asked when the re-opening of the Yangtze was expected to take place.

The Secretary said that no date had yet been decided upon, as there were many points which required examination and consideration before a definite date could be fixed - one of the most important being that of the re-opening of the Customs, as already stated - but that roughly speaking he thought that the River would be re-opened to trade as far as Nanking in about two months time - say towards the end of February or early in March. The Japanese authorities were anxious, therefore, that the Inspector General should transmit his proposals for the re-opening of the Customs establishments in draft form in order that they might examine them and possibly suggest minor modifications and additions.

The Inspector General replied that it was not for him in existing circumstances to draft such proposals, nor was he prepared to enter into any undertaking at an informal meeting.

The Secretary stated that the Japanese authorities intended to address him in writing on this subject but found some difficulty in doing so without first obtaining the Inspector General's draft proposals, which he urged should be transmitted.

The Inspector General again declined, pointing out that the question of the re-opening of the Customs formed an integral part of an important political issue in which he was not directly concerned. He was prepared, however, to examine and reply to any written communication the Japanese Embassy might see fit to address to him.

The Secretary replied that the re-opening of the Customs was a question with which the Inspector General was directly concerned and which the Japanese desired to have settled as soon as possible.

The

-2-

The Secretary said that in view of the Inspector General's refusal to comply with this request they would present their requirements in writing.

The Secretary then touched on the question of staff, saying that additional employees of Japanese nationality would be required and that written representations in this matter would also be made.

(Signed) A. S. Campbell,  
Personal Secretary.

26th December, 1939.

Copied by MB  
Compared with LIF

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

121415 *EX*

**TELEGRAM RECEIVED**

*KMC*  
*10/23/45*  
HSM

GRAY

FROM Tokyo

Dated February 7, 1940

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

Rec'd 10:03 a. m.

Secretary of State,  
Washington.

*882*  
*W.C.*  
Division of  
FAR EASTERN AFFAIRS  
FEB 7 - 1940  
Department of State  
*W.C.*

90, February 7, 7 p. m.

In an interpellation in the Diet on February 5

*793.9-112*  
*7-1*  
*500A-22*  
*V*  
Dr. Ichiro Kiyose of the Kikyoku Doshikai, declared that Japan's announcement of intention to reopen the Yangtze should be withdrawn at once; that the announcement had been made to conciliate the United States but that the latter had not responded; that in view of early emergence of a new central government in China which would probably not permit Yangtze navigation by ships of countries not recognizing the new regime, Japan should avoid interference with that government's prerogatives.

*J*  
*201*  
To this Foreign Minister Arita replied (close translation by Embassy): "The Yangtze River had remained closed because of the strategic requirements of the Japanese army. HOWEVER, on November 18 a statement was issued by the army to the effect that owing to the relaxation of the army's strategic requirements, it was preparing

for

793.94112/317

F/A

121416

hsm -2- No. 90, February 7, 7 p. m., from Tokyo

for the opening of the Yangtze. Although it is true that former Foreign Minister Nomura referred to this matter in his conversation with the American Ambassador, yet I do not believe that it should be considered that this matter of the opening of the Yangtze was made a factor in the negotiations for treaty revision."

At another point Dr. Kiyose declared that the Nine-Power Treaty should be denounced by Japan on the grounds that conditions had changed, even as the United States had abrogated the 1911 treaty on the grounds of changed conditions: that the Nine-Power Treaty was the Versailles Treaty of the Far East by which other nations sought to bind Japan.

In reply Mr. Arita said (Embassy's translation): "Mr. Kiyose mentions a note to the American Ambassador in which I am quoted as having said that it would be difficult to apply, without change, old principles and concepts to present and future situations. I did say that in my note, and my view is yet unchanged. However, in regard to the question of denouncing the Nine-Power Treaty, although various instances have been set forth by Mr. Kiyose I think the matter will require still further consideration."

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

121417

TELEGRAM RECEIVED

HSM

FROM

GRAY

Canton via N. R.

Dated February 7, 1940

Rec'd 12:12 p. m.

*A*  
Division of  
EASTERN AFFAIRS  
FEB 8 - 1940  
Department of State  
*m*

Secretary of State,

Washington.

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

LEGAL ADVISER  
FEB 14 1940  
DEPARTMENT OF STATE

February 7, 5 p. m.

Reference by B, January 27, 2 p. m. / 3/2

793.9-2

Temporary regulations of the Pearl River pilotage service, administered by the Japanese army and navy, have, according to a communication from the Japanese Consul General, been put into effect as from February 1st. The regulations provide inter alia that they are inapplicable to Japanese warships and military chartered vessels; that only pilots on the non-official staff of the army and navy are permitted to pilot vessels within the pilotage ground of the Pearl River (from which Whampoo is excluded); that vessels of less than 500 gross tons or less than eight feet draught may be operated without a pilot; that pilotage fees as set forth shall be charged (these are about three times former fees); that infractions of the regulations shall be dealt with according to Japanese military regulations; and that they

793.94112/318

F/A

121418

hsm -2- February 7, 5 p. m., from Canton via N. R.

they are to be in force during the closure of the river  
(presumably until it is reopened unconditionally). As  
stated in the Japanese Consul General's letter foreign  
naval vessels are not affected by those regulations.

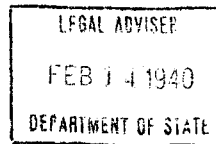
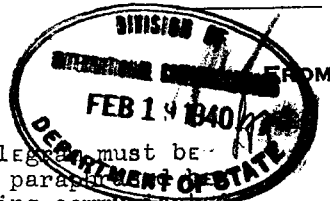
Repeated to Chungking.

MYERS

HPD

121419

TELEGRAM RECEIVED



REB

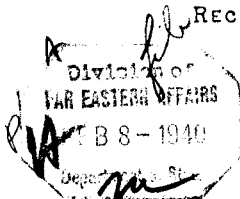
This telegram must be closely paraphrased before being communicated to anyone. (br)

CANTON VIA N.R.

Undated

Rec'd 12:30 p. m.  
February 7, 1940

Secretary of State,  
Washington.



*shown to Mr. M. C. Jones*

My February 7, 5 p. m. (continued).

The regulations appear to be particularly objectionable in that they introduce compulsory pilotage contrary to previous practice and treaty provisions (British treaty of Tientsin article 35) and prescribe that infractions of the regulations are punishable according to Japanese military regulations. Other objectionable features are the excessive pilotage rates and the inapplicability of the regulations to Japanese military chartered vessels which have been carrying commercial cargo and are likely to continue to transport and discharge it at Whampoa.

American interests are not confronted by the regulations. However, I feel that a protest based on the first two objections mentioned above would be desirable and subject to the Embassy's approval I propose to make such protest when acknowledging Japanese Consul General's communication.

British

FW 795.9412/318

FEB 23 1940

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

121420

REB -2- From Canton, Undated

British interests are directly affected and Consul  
General has protested and reserved all rights.

Sent to Peiping, repeated to Chungking.

MYERS

CSB



CROSS-REFERENCE FILE

NOTE

SUBJECT Reopening of the Yangtze river from Shanghai to Nanking.  
Announcement by Japanese Government regarding.

793.9412/319

For the original paper from which reference is taken

See #2803  
(Despatch, telegram, instruction, letter, etc.)

Dated Jan. 6, 1940 From Shanghai (Gauss)  
TX

File No. 893.00 P.R. Shanghai/135

N

793.94112

Reopening of the Yangtze River. The announcement made by the Japanese Government that it intends to make preparations to reopen the Yangtze River between Shanghai and Nanking under certain restrictions, aroused the greatest interest in Shanghai. Local observers definitely linked the announcement with the current American-Japanese discussions and felt that the decision reached by the Japanese Government partially to reopen the Yangtze River was unquestionably a gesture intended to appease the United States Government and facilitate the early conclusion of a new commercial treaty or at least a definite modus vivendi.\* However, the announcement was not received locally with any great enthusiasm because it was felt that the reopening of this short section of the river upon a restricted basis would not constitute any great improvement

\*Telegram no. 1123, December 19, 7 p.m.

-3-

ment in the situation.\* It was ascertained from local Japanese officials that the partial reopening might be expected early in March and that such questions as wharfage facilities, the reopening of custom houses and other matters would require some time to arrange.\*\* The local Japanese press in discussing this matter emphasized the greatness of the Japanese concession and called upon the United States to respond to this overture and to conclude a new treaty of commerce forthwith; otherwise, it was predicted that a black and ominous cloud would cast its pall over the two countries.

121421

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 13, 1940.

Peiping's 50, February 12, 3 p.m.

Counselor Lockhart recommends that a protest be lodged against the new pilotage regulations at Canton on the general grounds of impairment of American rights.

The Department has held that the subject of pilotage regulations is one which is subject to negotiation and agreement between the treaty powers concerned and the Chinese authorities (see attached memorandum of September 21, 1931, file no. 893.825/18). Regardless of the status of the question as between this Government and the Chinese Government, no Japanese authorities or Japanese-sponsored régimes have any right to prescribe pilotage regulations for Chinese waters applicable to American or other treaty power nationals. Therefore, in as much as this is a matter which may very probably directly affect the movement of goods between the United States and South China, it is suggested that Mr. Lockhart's recommendation be approved. A draft telegram to Peiping is attached.

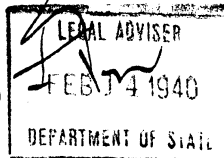
FE:Peirfield:JPS



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

121422

TELEGRAM RECEIVED



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✓

JR

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

FROM

Peiping via N. R.

Dated February 12, 1940

Rec'd 7:05 a.m.

Secretary of State,

Washington.

50, February 12, 3 p.m.

Your February 7, 5 p.m.

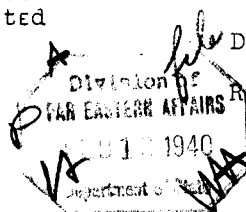
The Embassy perceives no objection to Canton protesting against pilotage regulations as being an impairment of American rights and interests in China.

While under present circumstances no instance will probably arise directly affecting the rights of Americans as it is understood that no American commercial vessels now go to Canton, the Embassy proposes to instruct the Consul General at Canton, if the Department approves, to lodge a protest on the general grounds of impairment of American rights and at the same time inform the Japanese authorities that the American Government cannot recognize any claim of the Japanese to a right to try under Japanese military or other law American citizens who may be charged with infractions of the pilotage regulations.

Repeated to Canton and Chungking. By air mail to Tokyo.

DDM

LOCKHART



793.94112/320

FEB 19 1940  
F/FG

note  
793.844

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

121423

PREPARING OFFICE  
WILL INDICATE WHETHER

Collect ☐ Full rate  
☐ Day letter  
☐ Night letter

Charge Department:  
Full rate  
Day letter  
Night letter

Charge to  
\$

# TELEGRAM SENT

TO BE TRANSMITTED  
XCONFIDENTIAL CODE X  
NONCONFIDENTIAL CODE  
PARTAIR  
PLAIN

## Department of State

Washington, Br  
February 14, 1940

AMEMBASSY,

PEIPING (CHINA). *Via NR*

INFO: AMEMBASSY, CHUNGKING (CHINA).  
AMERICAN CONSUL, CANTON (CHINA).

*31*  
Your 50, February 12, 3 p.m.

Approved.

Sent to Peiping. Repeated to Chungking and Canton.

Peiping please inform Tokyo.

*Still  
as is*

This message is being communicated by radio.  
BP

793.94112/320

793.94112/320

DIVISION OF  
COMMUNICATIONS  
AND RECORDS  
FEB 14 PM 5 37

CR  
FEB 14 1940 PM  
FE:JEP:HJN

Enciphered by \_\_\_\_\_

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_

F/N

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



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Division of  
FAR EASTERN AFFAIRS

FLB 6-1940

Department of State

January 31, 1940

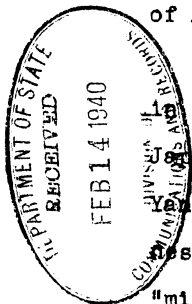
CLOSURE OF THE YANGTZE AND PEARL RIVERS TO  
NON-JAPANESE SHIPPING

*Copies sent to Tokyo, Shanghai, Peking (Chungking), DCR*

793.94112

not  
893.811

The Yangtze and Pearl Rivers have to all intents and purposes been closed to non-Japanese navigation since August 1937 and October 1938, respectively. The closure of these rivers by the Japanese on the plea of "military necessity" has contributed largely to the virtual extinguishment of American trade in the lower Yangtze valley and Canton areas; and it has interfered with travel, philanthropic and other legitimate activities of American nationals in these areas of China.



The conditions described above continue substantially in effect today. Non-Japanese commercial vessels and non-Japanese-owned cargo are virtually excluded from the Yangtze and Pearl Rivers while, on the contrary, Japanese steamers carry commercial cargo under the guise of "military supplies".

In the Hankow area, the closure of the Yangtze River, the imposition of other restrictions, and the continuation of military activities have (except in isolated cases involving irregular procedure) stopped all American trade (Hankow's despatch no. 45, October 30, 1939, to the Department).

793.94112/321

FILED

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FEB 15 1940

-2-

Department). With the shipment from Hankow in October 1939 of all wood oil owned by or under contract for delivery to American firms (Hankow's 255, October 30, 2 p.m.), there now remains at Hankow awaiting export very little cargo possessing a direct American interest. This cargo, in November 1939, apparently consisted of goods as follows:

AMERICAN-OWNED CARGO

- 31 cases of bristles -- H. Rosenhirsch and Company,  
New York;
- 14 cases of human hair -- Robert Werk and Company,  
New Orleans;
- 14 cases of human hair -- Oriental Textile Mills,  
Houston, Texas.

GOODS UNDER CONTRACT FOR DELIVERY TO AMERICAN  
FIRMS

- 60 tons of ramie grass -- Henry W. Peabody and  
Company, Boston;

Goatskins valued at \$10,000 -- Kline and Company,  
New York.

(Hankow's telegrams nos. 250, October 23, 2 p.m., and  
266, November 15, 9 a.m.)

In connection with the foregoing it will be recalled that a representative of the Rosenhirsch Company is about to depart for Shanghai with a view to effecting a direct settlement of the company's difficulties; that neither Robert Werk and Company nor the Oriental Textile Mills has approached the Department or our consular

officers



-3-

officers in China in regard to their difficulties; and that the title to the goods in which the Peabody and Kline Companies are interested apparently remains with the British seller.

According to information from Hankow, certain foreign-owned cargoes, including bristles and ramie grass, have recently been shipped from that port to Shanghai by means of so-called "wash sales" to Japanese brokers and military. This mode of shipment apparently is available to those foreign firms in Hankow which are willing to adopt the irregular procedure prescribed by the Japanese military and to pay Japanese "brokerage" fees (Hankow's telegrams nos. 250, October 23, 2 p.m., and 266, November 15, 9 a.m.).

The promotion of American trade and commerce through the port of Shanghai continues to be seriously obstructed in consequence of the closure of the Yangtze River and the imposition by the Japanese authorities of various other restrictions. To date, third-power shipping on the lower Yangtze has been restricted to service below the Kiangyin barrier (situated on the Yangtze about 100 miles above Shanghai) and even this service is reported as being unsatisfactory owing to currency and other restrictions and the establishment of monopolies fostered

by

-4-

by the Japanese military authorities (Shanghai's 1157, December 29, 9 p.m.). Although the Japanese have announced their intention of opening the Yangtze as far as Nanking, the feeling appears to be general in American circles in Shanghai that only the unrestricted opening of the river as far as Hankow and the full restoration of equality of trade opportunity will afford substantial relief to American trade in the Yangtze valley (Shanghai's nos. 1133, December 22, 4 p.m., and 1157, December 29, 9 p.m.).

Recent reports from Canton indicate that the closure of the Pearl River to third-power commercial navigation has continued adversely to affect American trade in the Canton area. Specific cases of interference with American trade resulting from the closure of the Pearl River include the following: (1) Refusal of the Japanese authorities to permit a return shipment by the B. F. Goodrich Company of 166 automobile tires and 98 automobile tubes from Canton, where there is little market and where these products are deteriorating; (2) Refusal of the Japanese authorities to permit shipment by Paul E. Sammon and Company of 8 cases of machinery and machine tools; (3) Closure of the Pearl River is preventing return shipments by the Standard-Vacuum Oil Company of petroleum products valued at approximately HK\$1,000,000, and by the Texas Company (China) Ltd. of petroleum products

-5-

products valued at approximately HK\$300,000, for which there is no market in Canton at the present time (the companies named have not, however, made requests for the shipment of these products). (Canton's unnumbered despatch of November 13, 1939, to the Department). Moreover, the acquisition by American firms of Canton silk waste, tonkin canes, and possibly other local products has been curtailed as a result of the closure of the Pearl River. However, there are now indications that shipments of Canton silk waste may be allowed to go forward to American firms subject to application to the Japanese authorities at Canton (Canton's 160, December 29, 4 p.m., 2, January 5, 8 p.m., 4, January 9, noon, and Hong Kong's 12, January 8, 4 p.m.).

Although the Japanese authorities have declared the Pearl River closed to commercial navigation, there are reports to the effect that a tug and lighter service has recently been operating between Canton and Hong Kong, apparently with the connivance of the Japanese naval authorities at Canton (Canton's 137, November 11, 1 p.m., and Hong Kong's 12, January 8, 4 p.m.); that a Portuguese steamer plying between Canton and Macao is carrying export cargo and probably import cargo (Canton's 160, December 29, 4 p.m., and Hong Kong's 12, January 8, 4 p.m.);

and

-6-

and that the Japanese have been exporting silk and other products, as well as importing merchandise from Japan and other sections of occupied China, by Japanese steamers flying military transport flags (Canton's 160, December 29, 1 p.m.).

Comment: In endeavoring to determine the advisability of a further approach to the Japanese Government at this time in regard to the subject under discussion, it would seem well to bear in mind considerations as follows:

(1) As a result of the repeated representations and protests made by the American Government, the Japanese Government is well aware of our attitude in regard to the opening to navigation of the Yangtze and Pearl Rivers.

(2) The Japanese Government, apparently in recognition of repeated American representations, has officially announced its intention to open to general navigation the Yangtze as far as Nanking and also the Pearl River, subject to certain restrictions. On December 18 the Foreign Office indicated that such action would take place within two months, i.e., in February 1940 (Tokyo's nos. 686, December 18, 6 p.m., and 687, December 18, 10 p.m.). Further indications of an early opening of the Pearl River were reported in Canton's 9, January 30,

5 p.m.

-7-

5 p.m. In this connection, it would seem the course of wisdom to withhold further protests at least until there may be ascertained the extent and the nature of the action which the Japanese authorities are prepared to take in the way of opening the Yangtze and Pearl Rivers. If representations should be made at this time, it seems probable that the Japanese would in reply merely refer to their recent announcements and assert that preparations are now being made to open the rivers to navigation.

(3) It would not appear advisable or expedient to make general representations on this subject at this time of increased delicacy in American-Japanese relations -- that is, when the American-Japanese commercial treaty has so recently terminated. Furthermore, as the Japanese have erroneously believed that the announcement of their proposed opening of the Yangtze and Pearl Rivers would be viewed by the American public as a major concession, pressure at this time for implementation of the Japanese announcement might lead the Japanese authorities to believe that such action would cause a fundamental change in the attitude of the American Government and people.

In view of the foregoing and notwithstanding the adverse effects which the Japanese closure of the

Yangtze

-8-

Yangtze and Pearl Rivers has had and is having on American and other third-power trade and interests, it would appear advisable for the American Government to refrain for the time being from making in regard to this subject a further approach to the Japanese Government. If, however, undue delay should occur in the implementation of the Japanese assurances that the Yangtze will be opened to navigation in February 1940, or if inherent in such opening there should be restrictions which in effect nullify the facilities ostensibly offered, it is suggested that renewed consideration be given to the question of making further representations to the Japanese Government.

*M. M. W.*

FE: Drumright: HJN  
Mackay:

*Reus*

*HJP*

7225  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

February 13 1940

CONFIDENTIAL -- FOR STAFF USE ONLY

No. 1899

To the

American Ambassador,  
Tokyo.

The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum of January 31, 1940, prepared in the Division of Far Eastern Affairs on the subject of the closure of the Yangtze and Pearl Rivers to non-Japanese shipping.

Enclosure:

Memorandum of January 31  
entitled "Closure of the  
Yangtze and Pearl Rivers  
to Non-Japanese Shipping".



Field distribution:

Tokyo.  
Peiping (Chungking).  
Shanghai.

FEB 12 1940

FE:EGG:HES  
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2/14/40

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793.94112/321

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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

February 13 1940

CONFIDENTIAL -- FOR STAFF USE ONLY

No. 775

To the

American Ambassador,  
Peiping.

The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum of January 31, 1940, prepared in the Division of Far Eastern Affairs on the subject of the closure of the Yangtze and Pearl Rivers to non-Japanese shipping.

Enclosure:  
Memorandum of January 31  
entitled "Closure of the  
Yangtze and Pearl Rivers  
to Non-Japanese Shipping".

Field distribution:  
Tokyo.  
Peiping (Chungking).  
Shanghai.

Copy to Chungking.

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FEB 14 1940

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722

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

February 13 1940

CONFIDENTIAL -- FOR STAFF USE ONLY

To the

American Consul General,  
Shanghai, China.

The Secretary of State encloses for the confidential information of the American Consul General a copy of a memorandum of January 31, 1940, prepared in the Division of Far Eastern Affairs on the subject of the closure of the Yangtze and Pearl Rivers to non-Japanese shipping.

793.94112/321

Enclosure:

Memorandum of January 31  
entitled "Closure of the  
Yangtze and Pearl Rivers  
to Non-Japanese Shipping".

F/A

Field distribution:

Tokyo.  
Peiping (Chungking).  
Shanghai.

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FEB 12 1940

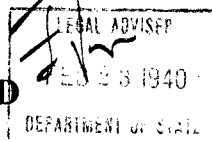
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Quisenberry NARS, Date 12-18-75

# TELEGRAM RECEIVED



EG

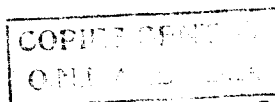
FROM MAIN AND GRAY

Tsingtao via N. R.

Dated February 17, 1940

Rec'd 10:38 a.m.

Secretary of State,  
Washington.



27, February 17, 10 a.m.

Proclamation issued by "highest Japanese naval command in North China" to the effect that effective February fifteen and until further notice all vessels and junks are prohibited from entering or clearing from any place on the coast of Shantung between Weihaiwei and Tsingtao both of which places are excluded. No reasons given but probably due to guerrilla warfare.

Repeated to Peiping, Chungking, Chefoo and Shanghai.

SOKOBIN

PEG



MAR 4 1940  
FILED

793.94112/322

F/FG

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

## TELEGRAM RECEIVED

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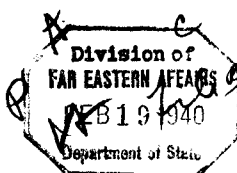
Canton via N.R.

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

Dated February 17, 1940

Rec'd 2:37 a.m., 18th

Secretary of State  
Washington



February 17, 5 p.m.

Reference Embassy's (February 16 (??) 5 p.m.  
and Department's 31, <sup>320</sup> February 14, 6 p.m. to Peiping  
in regard to pilotage regulations. Protest made  
today. Sent to Peiping. Repeated to Chungking.

MYERS

LMS  
CSB



FILED  
FEB 26 1940

793.94112/323

F/A

79394112

CROSS-REFERENCE FILE

NOTE

SUBJECT Opening of Yangtze River to navigation.

Under no obligation in connection with announced proposed-, Japanese government should, however, carry out same, according to Japanese Foreign Minister in reply to interpellation in Subcommittee meeting of the Lower House, yesterday. Barring unforeseen contingencies, the lower reaches of the river will be opened in the relatively near future, in the opinion of the Minister.

For the original paper from which reference is taken

Tel #125; 2pm

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

Dated Feb 17, 1940 From Japan (Grew)  
To

File No. 894.24/833

793.94112/324

324

CD  
FE

JI

GRAY

Tokyo

Dated February 17, 1940

Rec'd 6 a.m.

NOTE  
79354112

Secretary of State

Washington

125, February 17, 2 p.m.

One. Replying to an interpellation in a Subcommittee meeting of the Lower House yesterday in regard to the possibility of an American embargo against Japan, the Foreign Minister is reported to have stated in part as follows:

"With respect to the question of an embargo on American exports to Japan, I hear that the Foreign Relations Committee of the Senate has postponed the study of this problem. This is due, in my opinion, to a recent change in the Japanese attitude toward the United States and to developments in the European situation. However, postponement of discussions on this matter by the Foreign Relations Committee is only temporary. Considering the deep roots from which the embargo proposals spring and the large number of supporters, we must bear in mind that future developments

894.24 / 833

-2-125, Feb. 17, 2 p.m. from Tokyo

developments are unpredictable. Fortunately, however, there are some farsighted people in the United States, and if the situation finally reaches the stage of actually enforcing embargo measures, the constant advocates of these measures will certainly come to realize the dangers inherent therein, in which case we may safely assume that the materialization of any embargo measures would require a considerable length of time".

Two. In reply to another interpellation on the same occasion as to whether Japan had any obligation to open the Yangtze River to navigation the Foreign Minister said:

"Inasmuch as the Japanese Government acted upon its own initiative when it notified the American Government of its intention, in the light of the lessening of absolute military requirements, to open the Yangtze River to navigation, there is no obligation on the part of the Imperial Government to open the river. The foregoing is a strictly legal view. As a practical matter the Japanese military authorities in the Yangtze area are

-3-#125, Feb. 17, 2 p.m. from Tokyo

are studying the question of when and under what conditions the river will be opened. Although the Imperial Government has no obligation to open the river, inasmuch as we have declared that the preparations for the opening of the river were being made in the light of the lessening of absolute military requirements, I believe that we should carry it out. Barring unforeseen contingencies, I think that the lower reaches of the Yangtze will be opened in the relatively near future."

Repeated to Shanghai. Shanghai please repeat to Chungking, Peiping.

GREW

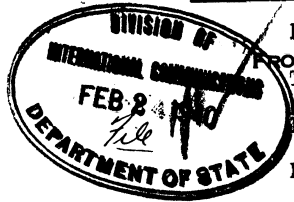
HPD

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

LEGAL ATTACHE  
FEB 26 1940  
DEPARTMENT OF STATE

EG



PLAIN AND GRAY  
FROM  
Tsingtao via N. R.

Dated February 21, 1940

Rec'd 3:40 a.m.

Secretary of State,  
Washington.

28, February 21, 9 a.m.

Reference my number 27, February SEVENTEENTH.

Blockade of coast has been modified to permit entry  
and clearance of vessels and junks between Haiyang and  
Tsingtao including both places. Haiyang is about seventy  
five miles north of Tsingtao along coast.

(GRAY) It is reported that the activity along the  
coast of Japanese movement to clear guerrillas from the  
Shantung promontory so as to reopen motor road communica-  
tion between Tsingtao, Chefoo, Wei-hai-wei and Haiyang.

Repeated to Peiping, Chungking, Chefoo and Shanghai.

SOKOBIN

CFW:RR

COPY AL C

793.94112

793.94112/325

FEB 27 1940

RECEIVED

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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. Chantler NARS, Date 12-18-75

121424

## TELEGRAM RECEIVED

JR

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

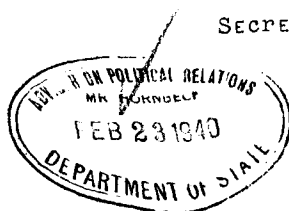
FROM

Chungking via N. R.

Dated February 20, 1940

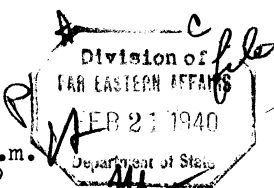
Rec'd 5:10 p.m.

Secretary of State,  
Washington.



34, February 20, 9 a.m.

Department's 43, January 27, 2 p.m., to Shanghai.



*Tel. to Chungking*  
FEB 23 1940

Reopening of Yangtze.

At the request of the British and French Ambassadors I met with them yesterday and the French Ambassador said that he had received a telegram from his Foreign Office directing that he consult with his British and American colleagues in Chungking with regard to the advisability of suggesting to the Chinese Government the desirability of acquiescing in facilitating maritime customs offices at ~~Chungking~~ <sup>Chungking</sup> and Nanking in order to facilitate the opening of the Yangtze to navigation, or at least of "closing its eyes to the proceeding". The Ambassador said that he was informed the Inspector General had already asked permission of the Chinese Government to agree to the reopening and he pointed out that if the Chinese Government refused to acquiesce the Japanese would probably open these offices themselves and that this would be prejudicial

to

793.94112/326

F/N

793.94112

FEB 27 1940

121425

-2- #84, February 20, 9 a.m., from Chungking.

to the integrity of the customs administration. The British Ambassador remarked that the danger was that the Japanese would insist on placing many additional Japanese in the administered offices and that this was what the Chinese Government feared. He said that he had talked with the Chinese Minister of Finance on this subject last November and Dr. Kung had been extremely emphatic in his opposition to the reopening of the offices under Japanese auspices. The British Ambassador also said that he had received under date of February 12 a telegram from his colleague in Tokyo stating that the latter had consulted Ambassador Grew who had informed him that the position of the American Government was that it was interested in the integrity of the Chinese maritime customs but did not wish to advise the Chinese Government to follow any specific course of action. I observed that this had always been the attitude of the American Government, but that I would refer to the Department the particular proposal made by the French Ambassador. Does the Department desire that this office in communication with the two Ambassadors add anything to the important points expressed in the telegram under reference?

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

PECK

KLP

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

121426

PREPARING OFFICE  
WILL INDICATE WHETHER  
Collect  
Charge Department  
OR  
Charge to  
\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED  
X CONFIDENTIAL CODEX  
NONCONFIDENTIAL CODE  
PARTAIR  
"A" PLAIN

Washington, NAVAL RADIO

1940 FEB 23 PM 6 20 February 23, 1940

AMEMBASSY,

CHUNGKING (CHINA).

INFO: AMERICAN CONSUL, SHANGHAI (CHINA).  
AMEMBASSY, PEIPING (CHINA).

26 Your 84, February 20, 9 a.m., and Department's 74,  
February 20, 4 p.m., to Shanghai.

The information from the British Embassy, referred  
to in the Department's telegram to Shanghai under reference,  
was contained in an aide-memoire dated February 14 which it was  
stated, inter alia, that it was understood that the In-  
specter General of Customs had written to Dr. Kung in regard  
to this matter. ~~And it is to be assumed that~~ The Inspector  
General's communication to Dr. Kung <sup>may be</sup> the basis for the  
French Ambassador's remarks mentioned in the second sentence  
of the first substantive paragraph of your telegram. The  
Department's 74, February 20, 4 p.m., to Shanghai appears  
to have crossed your 84, February 20, 9 a.m. The Department  
feels that it should, for the time being, continue to adhere  
to its position as outlined in its telegram to Shanghai <sup>under</sup>  
~~reference.~~  
~~question.~~

Sent to Chungking. Repeated to Shanghai and Peiping.  
Peiping (please repeat to Tokyo).

Enciphered by \_\_\_\_\_

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_ 19 \_\_\_\_\_

D. C. R.—No. 50

GA 793.94112/326

FE:GA:MHP

1-1403

U. S. GOVERNMENT PRINTING OFFICE

FE:GA:MHP

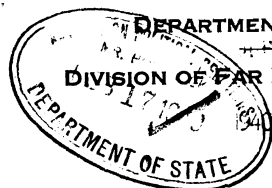
PA/H:GHT

FEE 23 1940

F/A

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

121427



February 14, 1940.

PA/H

COMMUNICATIONS

Reference the attached aide-mémoire of February 14, 1940, handed by Mr. Butler of the British Embassy to Mr. Hamilton in regard to the reopening of the Chinese Maritime Customs at Chinkiang and Nanking.

There is expressed in the British aide-mémoire the desire to ascertain whether the Government of the United States would support the British Government in urging the Chinese Government not to instruct the Inspector General of Customs to refrain from opening the customhouses at Chinkiang and Nanking.

In January the Inspector General of Customs asked the American Consul General at Shanghai the same question in effect. Our reply, contained in the Department's no. 43, January 27, 2 p.m., to Shanghai was "No".

Although the British aide-mémoire presents no information which we did not have at the time that we declined to accede to the Inspector General's request, it is felt that the Department should not return a definite "No" to the British Embassy but should express willingness to give the matter under discussion further consideration, if and when the Inspector General notifies this Government of his intention to request

instructions

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

instructions from the appropriate Chinese authorities.

The thought in making the above suggestion to the British Embassy is that if we felt that the situation warranted our doing so we would inform the Chinese Government that we were not attempting to persuade the Chinese authorities to reopen the customhouses at Chinkiang and Nanking but that we were interested in the restoration of normal navigation on the Yangtze and were, as we had repeatedly indicated, interested in the maintenance of the administrative integrity of the Chinese Maritime Customs, and that we hoped that the Chinese Government would bear these considerations in mind in reaching its decisions.

The draft of a reply to the British aide-mémoire in accordance with the considerations mentioned above is attached hereto, together with the draft of a telegram to Shanghai.

*an mld*

793.94112/310

<sup>6A</sup>  
FE:Adams:HES/JPS

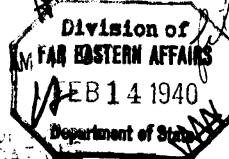
121428

Left with me by Mr. Butler  
of the British Embassy,  
February 14, 1940.  
MMH



AIDE MEMOIRE FEB 21

RECEIVED  
DEPARTMENT OF STATE



The Maritime Inspector General of Customs

has informed His Majesty's Embassy at Shanghai that  
the Japanese have requested him to reopen the Customs  
Houses at Chinkiang and Nanking and has asked for  
our views.

2. He anticipates that if he requests from  
the Chinese Government instructions to allow him to  
reopen the Customs Houses the answer will be a  
refusal if no pressure has previously been brought  
to bear on the Minister of Finance. He considers  
that in this event there would be a serious risk that  
the Japanese would open the Customs Houses as an  
independent service which would lead to the final  
disruption of the Chinese Maritime Customs. It is  
understood that he has written to Dr. Kung explaining  
the dangers of a refusal.

3. He intends to make no further move at  
present but suggests that the interested Powers  
should urge the Minister of Finance not to issue  
instructions forbidding the opening of the two Customs  
Houses when approached by the Inspector General of  
Customs.

4. His Majesty's Embassy at Shanghai have  
replied to the Inspector General that His Majesty's  
Government in the United Kingdom would welcome the  
effective opening of the Yangtze even as far only as  
Nanking, that they hope that the Customs Houses will  
be opened on his instructions and that they would  
be glad of an intimation of his decision to open them.

5./

793.94112/327

FEB 24 1940

F/N

793.94112  
not  
693.002

121429

-2-

5. His Majesty's Ambassador at Shanghai considers that no approach should be made to Dr. Kung until the Inspector General of Customs informs the Embassy of his intention to ask for instructions. The United States Consulate General and the French Embassy at Shanghai were consulted and are understood to agree and the French Embassy in London have since confirmed that the French Government see no objection.

6. The establishment of an independent customs administration on the Yangtze would confront third Powers with a dilemma and would in any event much detract from the benefits to be expected from the opening of the river. His Majesty's Government therefore propose if necessary to urge the Minister of Finance to adopt the attitude outlined in paragraph 3 above. It is desired to ascertain whether the United States Government would support His Majesty's Government in such action.

BRITISH EMBASSY,

WASHINGTON, D. C.,

February 14th, 1940.

7

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

121430

AIDE-MÉMOIRE

Reference is made to the aide-mémoire of the British Embassy over date February 14, 1940, in which is recorded the attitude of the British Government in regard to the question of the reopening of the Chinese Maritime Customs at Chinkiang and Nanking and in which is also recorded the desire of the British Embassy to ascertain whether the Government of the United States would support the British Government in urging the Chinese Minister of Finance not to forbid the opening of the customhouses at Chinkiang and Nanking.

The Government of the United States appreciates receiving the views of the British Government in regard to the question under consideration.

On January 24, 1940, the American Consul General at Shanghai reported that the Inspector General of the Chinese Maritime Customs desired to know the attitude

of

793.94112/327

F/N



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 Government of the United States toward the reopening of the Yangtze to Nanking as proposed by the Japanese, and that he had inquired whether this Government would be prepared to ask the National Government of China not to issue peremptory instructions forbidding him to reopen the customhouses at Chinkiang and Nanking.

This Government instructed the American Consul General at Shanghai to reply to the Inspector General that it naturally desired that normal navigation on the Yangtze be restored, that this Government was likewise interested in the maintenance of the administrative integrity of the Chinese Maritime Customs but that it was not inclined at that moment to attempt to influence the attitude of the Chinese Government in regard to the opening of the customhouses at Chinkiang and Nanking.

It is noted that the British Government does not contemplate an approach to the Chinese Minister of Finance until the Inspector General of Customs informs the British Embassy to China of his intention to ask for instructions.

If

124  
DECLASSIFIED: E.O. 11652, 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-

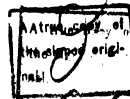
If and when the Inspector General of Customs <sup>should</sup> ~~inform~~  
inform the American Consul General at Shanghai  
~~this Government~~ of his intention to ask the appropriate

Chinese authorities for instructions, this Government  
will be willing to give further consideration, in the  
light of the situation at that time, to the question of  
its attitude in the matter.

Department of State,

Washington, February 20 1940

793.94112/



WAA  
FE:WAA:HJN/JPS

GA FE ~~RAW~~  
mmh

PAH  
Stett

FEB 20 1940

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

**TELEGRAM RECEIVED**

EG

PLAIN

FROM Tsingtao via N. R.

Dated February 24, 1940

Rec'd 3:15 a.m.

Secretary of State,  
Washington.

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

29, February 24, 9 a.m.

Blockade of entire Shantung promontory coast  
between Tsingtao and Weihaiwei has now been lifted.

Repeated to Peiping, to Chungking, Chfoo,  
Shanghai.

SOKOBIN

McL

793.94112/328



FEB 23 1940

RECEIVED

F/FG

121431

TELEGRAM RECEIVED

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

FROM Shanghai via N. R.  
Dated February 26, 1940  
Rec'd 6:17 a. m.

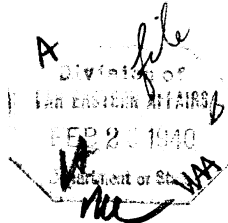
Secretary of State,  
Washington.

158, February 26, 1 p. m.

Reference Department's 26, February 23, 6 p. m., to  
Chungking regarding opening of Yangtze.

By my despatch No. 2873 of January 31, which however  
appears to have been delayed in transmission awaiting  
steamer, I sent to the Department and Embassy copy of  
confidential report of January 25 from Inspector General  
to Minister of Finance of which following now is summary:

Inspector General had been informed Japanese Govern-  
ment propose to open river as far as Nanking in the near  
(as?)  
future and had been desired but declined to furnish plans  
in connection with reopening of customhouses concerned.  
Japanese might welcome refusal on his part to resume customs  
work at ports concerned as relieving them of further  
responsibility in the matter. They might blame customs  
for obstructing resumption normal trade conditions on the  
river and might reopen customhouses themselves with separate  
staffs



793.94112/329

F/FG

121432

hsm -2- No. 158, February 26, 1 p. m., from Shanghai

staffs nominally under control of Chinese regime at Nanking. Interested friendly powers might resent customs failure to cooperate and would experience difficulty in protesting contravention of integrity of customs. For the public's position might thus be weakened in that Japanese would have opportunity to declare they did not desire to disrupt unity of customs service and had been compelled to take independent action in view refusal Inspector General to reopen customhouses concerned.

The letter does not ask permission to agree to the reopening nor does it ask for instructions.

Repeated to Chungking and Peiping. Code text by air mail to Tokyo.

GAUSS

HPD

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

**TELEGRAM RECEIVED**

FROM

HSM

GRAY

Tokyo via Peiping & N. R.

Dated February 27, 1940

Rec'd 12:50 a. m., 28th

Secretary of State,  
Washington.



143, February 27, 3 p. m.

1320

Department's 31, February 14, 6 p. m. Pearl River  
pilottage regulations.

Written representations were made to the Foreign  
Office today.

Peiping please repeat to Hong Kong and Chungking.

GREW

RR

793.94112/330

F/FG

MAR 4 1940

99

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

March 1, 1940.

~~SPC~~  
~~MCH~~

Reference Chungking's 102, February 28, noon, in regard to the question of reopening the customhouses at Chingkiang and Nanking.

The questions raised by implication in the telegram under reference are covered by the Department's 28, February 29, 3 p.m., to Chungking wherein the Department authorized the American Embassy at Chungking to bring certain considerations to the attention of the Chinese Government after the French and British Embassies had informed the American Embassy that they had made approaches to the Chinese Government in regard to the reopening of the Chingkiang and Nanking customhouses.

It is thought that Chungking's telegram under reference does not require action by the Department at this time.

793.94112/331

VAA

FE:Adams:JPS

CORRECTED COPY

HSM

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

Chungking via N. R.

Dated February 28, 1940

Rec'd 8:55 p. m.



Secretary of State,  
Washington.

102, February 28, noon.

Shanghai's 158, February 26, <sup>329</sup>1 p. m., to the Depart-  
ment, opening of Yangtze.

Counsellor of the British Embassy has just inquired  
whether I have received any instruction from the Depart-  
ment in regard to proposed simultaneous representations  
to Kung. I informed him of the Department's position  
as defined in the last substantive sentence of the  
Department's 26, February 23, 6 p. m., <sup>326</sup>and possibly  
affected by the last sentence in the telegram under  
reference. Informant said that the British Embassy  
here had been informed that the Inspector-General had  
~~estimated~~ <sup>intimated</sup> on February 24 that he thought it would be  
desirable if the Embassies concerned were to suggest to  
the Minister of Finance at this time the advisability  
of ignoring any arrangements the Inspector-General might  
make with regard to reopening the two customs offices.

I

793.94112/331

APR 7 1940



hsm -2- No. 102, February 28, noon, from Chungking

I suggested that he meant that Kung should "shut his eyes"  
to the ~~scheme~~ <sup>proceeding</sup> and informant assented. I said I would  
inform Department of what the Counsellor had told me  
and he remarked that for the time being the British  
Embassy would take no further steps. efz

Repeated to Peiping and Shanghai. Peiping repeat  
to Tokyo.

PECK

PEG

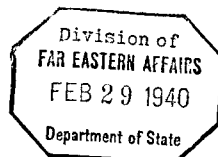
*See corrected copy*  
*eff* **FE**

**TELEGRAM RECEIVED**

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

Chungking via NARS  
FROM  
Dated February 28, 1940  
Rec'd 8:55 p.m.

Secretary of State  
Washington



102, February 28, 12 noon.

Shanghai's 158, February 26, 1 p.m. to the Department,  
opening of Yangtze.

Counsellor of the British Embassy has just inquired whether I have received any instruction from the Department in regard to proposed simultaneous representations to Kung. I informed him of the Department's position as defined in the last substantive sentence of the Department's 26, February 23 6 p.m. and possibly affected by the last sentence in the telegram under reference. <sup>Informant</sup> (2) said that the British Embassy here had been informed that the inspector-general had restipulated on February 24 that he thought it would be desirable if the Embassies concerned were to suggest to the Minister of Finance at this time the advisability of ignoring any arrangements the inspector-general might make with regard to reopening the two customs offices. I suggested that he meant that Kung should "shut his eyes" to the <sup>Scheme and</sup> (2) (2) informant <sup>assented.</sup> (?). I said

I would

793.94112/331

F/WN

MA -2- tel # 102, February 28, noon from Chungking.

I would inform Department of what the <sup>Counselor had</sup> ~~(?) (?) (?)~~ told  
<sup>Remarked that</sup> me and he ~~(?)~~ for the time being <sup>The British Embassy</sup> (?) would take no  
further steps. Repeated to Peiping and Shanghai.  
Peiping repeat to Tokyo.

PECK

PEG

Entire message serviced.

CROSS-REFERENCE FILE

NOTE

SUBJECT

Trip on the Yangtze River from the mouth of Whangpoo to Hankow and back: Ambassador Johnson, accompanied by U.S. Naval and Military Attaches and Consul Lafoon.

Comments on-, resulting from personal observation and conversations en route. Sets forth-, with reference to Japanese controls.

For the original paper from which reference is taken

See Tel #-: 6pm  
(Despatch, telegram, instruction, letter, etc.)

Dated Feb 5, 1940 From China (Johnson, at Shanghai)  
To

File No. 793.94/15659

793.94/112/ 332

332

CROSS-REFERENCE FILE

NOTE

**SUBJECT** Trip, down Yangtze River; through Central China.

Publication of report on-, set forth in Ambassador's telegram of today's date, 6pm, or any part thereof, would be unwise. Essential point is that River, now controlled by military, opening will be subject to army's local interpretation of military exigencies of situation.

793.94112/ 333

For the original paper from which reference is taken

See Tel #-; 7pm  
(Despatch, telegram, instruction, letter, etc.)

Dated Feb 5, 1940 From China (Johnson, at Shanghai)  
To

File No. 793.94/15660

## TELEGRAM RECEIVED

CK

Tokyo

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

FROM Dated March 7, 1940

Rec'd 9:21 a.m.

Secretary of State

Washington

157, March 7, 6 p.m.

STRICTLY CONFIDENTIAL

One. The Minister for Foreign Affairs has sent me through confidential but official channels an oral message as follows: not only is he extremely occupied with daily attendance at the plenary and committee meetings of the Diet, but he believes that it would be wise, in order to avoid undesirable speculation on the part of the press, to defer meeting me until the Diet session comes to an end probably before the beginning of next month. He assures me that, although there has been a change of Cabinet since I had my conversations last year with Admiral Nomura, there has been no change in the Japanese Government's policy of respecting the rights and interests of third powers in China. With particular reference to the reopening of the Yangtze River, he regretted that the date originally fixed for that event has come and gone and three weeks have since elapsed, but this delay is due in large part to certain unforeseen causes. It had been found

necessary

793.94112/334

FILED

F/FG

-2-#157, March 7, 6 p.m. from Tokyo.

necessary for various reasons that he and the Minister of War declare in the Diet that the undertaking to reopen the Yangtze was unilateral in character and could therefore be withdrawn if requirements of the military situation should make such withdrawal necessary, but stating that Mr Arita wished me to understand that preparations for the reopening of the river are being carried out as rapidly as possible.

Two. "I understand from an excellent source that the principal difficulty in the way of reopening the river is the question of disposing of the Japanese military notes. Our informant said that such notes, now outstanding amount to about 100 million yen and that funds are not (repeat not) available<sup>for</sup>/their conversion into currency equally acceptable to Chinese, Japanese and third party interests, which would be necessary for trade following the reopening of the Yangtze area".

Three. The second paragraph of this telegram is being repeated to Shanghai, Peiping and Chungking for such comment as those offices may desire to make.

GREW

KLP

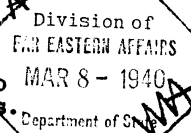
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893.515

No. 319

AMERICAN CONSULATE

Tsingtao, China, January 15, 1940.

SUBJECT: Further Harbor Facilities at Tsingtao  
Given to Vessels of All Nationalities.



The Honorable

The Secretary of State,  
Washington.

RECEIVED  
MAR 7 7:12 PM  
DEPARTMENT OF STATE

I have the honor to refer to this consulate's  
telegram no. 6 of January 13, 3 p. m., quoting the  
text of a memorandum given me by the Japanese Con-  
sulate General wherein notification is made of the  
further extension of port facilities at Tsingtao to  
vessels of all nationalities. There is enclosed a  
copy of the memorandum as received from the Japanese  
Consulate General.

Summary.

The general view taken by commentators here is  
that the extension of the facilities was made with  
a view to improving American-Japanese relations at  
this particular time as the date for the abrogation  
of the Treaty of 1911 approaches. Some observers  
hold that it is a good step forward of benefit to  
foreign interests; a leading British shipping man  
holds that it is a gesture of no greater value than  
the original opening of the port in March 1939. This  
consulate holds that there will be other gains as  
the military transport demands on the port facilities  
decrease. So far as American shipping is concerned,  
particularly where discharge of lumber is involved,  
delays may yet arise because of a notorious shortage  
of wharf labor.

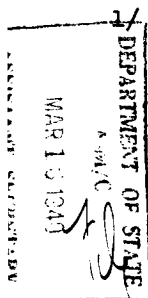
The location of berth no. 6 and godowns 4 and 5  
on Wharf No. 1 may be determined by reference to en-  
closure...

793.94112/335

MAR 19 1940

RECEIVED

F/N





- 2 -

closure no. 2 to this consulate's despatch no. 264 of March 23, 1939, to the Department, file no. 815.6, subject: Opening of Tsingtao Harbor to Ships of All Nationalities. The numbering of the berths at Wharf No. 1 has been altered by the Japanese; actually at present berths nos. 4 and 5 occupy all of the diagonal side at the end of the wharf while berth no. 6 is further inshore along the long straight line of the wharf. The godowns now made available on Wharf No. 1 are one of the four indicated by four uniformly sized rectangles in the sketch, and a newly constructed godown; these two godowns are those nearer the harbor entrance on the sketch.

On Thursday, January 11, it was intimated in Japanese official circles that a further alleviation of the harbor difficulties might be expected at a fairly early date. On Saturday, January 13, the Japanese Consul General invited me to his office where he wished to make "an important announcement"; a similar invitation was extended to the British Consul General for another hour. Upon arrival at the Japanese Consulate General the Consul General immediately handed me the typewritten memorandum of which a copy is now enclosed. Upon perusal I expressed my gratification, with the comment that the steps now taken would have been welcomed long ago. The Japanese Consul General inquired as to American shipping; I stated no American vessels had called at Tsingtao in two years but that one would arrive on or about February 15, and that

I...

- 3 -

I hoped the Japanese authorities would give it every help so that quick discharge of the cargo and the early despatch of the ship would be possible. The Consul General expressed much interest and promised his support as soon as I could give him more definite information.

Facilities Made Available.

1. Berth: The additional berth will make possible the mooring alongside of three coastal vessels or the mooring of two ocean (i.e. European or Pacific Coast) ships. This is a considerable improvement, as formerly at the best only two coastal vessels or one ocean steamer could use the berth; an ocean steamer together with a coastal vessel could not be accommodated at the same time at the two berths; under the new conditions, it will be possible to berth two ocean or three coastal vessels, or one ocean and one coastal vessel.

It is understood that for a period of almost four months, July-October, inclusive, no coastal vessels, for which Jardine Matheson & Company are agents, were given a wharf berth and that for two months no ocean vessels were able to obtain a berth at No. 1 Wharf. However, since the latter part of October it is understood that there has been a considerable improvement and that British coastal vessels and ocean-going vessels have been accommodated at No. 1 Wharf. One vessel carrying lumber, however, was not able to obtain the use of the wharf.

With the total absence of German shipping, there

is...

- 4 -

is no good reason why all foreign vessels calling at Tsingtao with the possible exception of lumber vessels, should not obtain reasonably prompt berthing at the wharf. But it must be constantly borne in mind that a far greater number of such vessels will be under the British flag and should British vessels experience difficulties of one sort or another from time to time at Tsingtao it will occasion no great surprise here.

2. Godowns: The denial of godown space for cargo landed from third power vessels has been one of the most objectionable points on which foreign business men and shipping companies have complained (see Tsingtao's despatch to Department no. 275 of May 18, 1939, file no. 815.6, subject: Harbor Facilities, transmitting communication from American Chamber of Commerce). Considerable damage has resulted to cargo and little effective recourse to insurance companies has aggravated the grievances. On the other hand, there have been disastrous fires and destruction of wharf godowns. With the building of a new godown, recently completed, there has been an improvement in the situation, and it is believed that importers, who happen to be more interested than exporters, will be greatly relieved.

Withdrawal of Privileges.

The last paragraph of Section 1 of the memorandum carries with it notification of the possibility of suspension of the berthing and godown facilities if there exists "positive proof that the vessel is in communication

with...

- 5 -

with the Chinese forces or guerrillas and has taken any action beneficial to the enemy".

The question has been raised by a British shipping firm whether the call of a vessel at Haiphong prior to arrival at Tsingtao might not prejudice the ship upon arrival at this port.

Coolies.

Clause (a) of Section 2 in the present memorandum repeats the stipulation contained in clause (c) of the memorandum given this office by the Japanese Consulate General on March 23, 1939, when notification of the opening of the port was made (see enclosure no. 1 to consulate's despatch no. 264 of March 23, 1939, file no. 815.6, to the Department, subject: Opening of Tsingtao Harbor to Ships of All Nationalities, and this consulate's comment on pages 4 and 5 of this consulate's despatch no. 265 of March 27, 1939, file no. 815.6, to the Department, subject: Opening of Tsingtao Harbor).

The coolie problem is still a very serious one in Tsingtao. The problem is serious because there is a genuine shortage of labor for the working of cargo. Reference thereto has been made by this consulate in its

- (1) despatch no. 436 of August 26, 1939, to the Embassy at Peiping, file no. 811.1, subject: Japanese Lift Travel Pass Requirements, etc.
- (2) paragraph 4 of telegram of September 1, 1939, 12 noon, to Embassy, subject: August Political Summary
- (3) despatch no. 457 of November 20, 1939, to the Embassy, file no. 800/851.51, subject: Japanese Oppose Recruitment of Chinese Labor in Shantung by Belligerent Powers, etc.

So...

- 6 -

So great was there shortage of coolies that two American firms were invited and permitted to use their own coolies on the docks. The prohibition against coolies, however, is nothing new, as has already been pointed out in the despatch submitted in March, and at present is probably considered necessary by the Japanese from a military point of view in order to prevent sabotage and hostile acts on the wharves. It is more than likely that the shortage will continue for some time to come; wages paid for wharf labor are inadequate under the present conditions of approximate inflation and so long as there is always personal danger to many innocent coolies whenever a fire occurs in the dock region, the labor shortage will continue for many months.

Transportation Within Wharf Compound.

Clause (b) of Section 2 repeats the stipulation of clause (d) in the memorandum of March 23, 1939, cited immediately above; the consulate invites the Department's reference to the comment on page 5 of the despatch last cited.

Under the pre-hostilities conditions shippers engaged their own carters or motor truck transportation in the open market and the carters or truck drivers were permitted to proceed direct to ship-side or to the godown where cargo was stored pending loading on board the ship. Under present conditions, the stipulation is tantamount to a monopoly of trucking of all export and import cargo to and from the wharves. Doubtless

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the transportation company (Kokusai Unyu Kaisha) is enjoying the benefits of a monopoly and the stipulation is unreasonable.

Operations at Night Permitted.

Clause (c) of Section 2 stipulates that night working of vessels will now be permitted, whereas clause (e) of the memorandum of March 23, 1939 specifically prohibited the loading and unloading of cargo and the embarkation and disembarkation of passengers at night. The altered policy will be particularly welcome to all concerned, particularly local shippers, who now can expect reasonably prompt despatch of vessels, subject to an adequate force of coolies.

The practice of loading and unloading cargo at night should increase the despatch of vessels theoretically 100 per cent. Exporters of frozen egg products, one of the important export items at the port of Tsingtao, will be especially pleased since the prompt loading of this commodity into the refrigerated chambers of vessels is a matter of great importance.

Access to Ships.

Clause (d) of Section 2 with regard to access to ships is worded somewhat differently from clause (f) of the memorandum of March 23, 1939, although in both cases it is indicated that a permit will be required for all persons wishing to board or to disembark the vessels at No. 1 Wharf. However, a more liberal policy may be intended by the wording of the present clause (d)

- 8 -

clause (d) of Section 2. It will be recalled that the denial of free access to the wharf has been one of the major causes of complaint on the part of the American Chamber of Commerce at Tsingtao (see page 8 of this consulate's despatch no. 417, to the Embassy at Peiping, dated June 13, 1939, file no. 815.6, subject: Harbor Matters at Tsingtao, enclosing a copy of a letter dated May 22, 1939, from the American Chamber of Commerce to this consulate). It is possible that the Japanese authorities in so wording the clause under consideration do now intend to grant greater freedom of access and that permits will be issued to those requiring them with a minimum delay. While shippers and merchants of all nationalities will still seek for complete freedom from the requirement that permits be obtained in order to gain access to Wharf No. 1, frankly this consulate doubts if the Japanese will entirely withdraw the requirement, for the reason that at the nearest inshore berths at Wharf No. 1 there are always at least 2 Japanese naval vessels and for the reason that at least one, if not more, of the present five godowns is exclusively for the use of naval and military stores.

Conclusion:

There will certainly continue doubts and complaints in the matter of harbor facilities on the part of some merchants and shipping companies. In the consulate's opinion, while the ultimate goal is the restoration of the status ante quo in 1937, a step forward has

been...

- 9 -

been taken which should be of considerable benefit to foreign merchants and shipping companies. In general the consulate's position is along the lines of the Secretary of State as indicated in Radio Bulletin No. 297 of December 18, 1939, with regard to the skepticism expressed by Shanghai business men on the opening of the Yangtze River when the Secretary said that "he would rather wait until the river was opened, and that then these other questions could be taken up".

Respectfully yours,



Samuel Sokobin,  
American Consul.

✓  
Enclosure:

1. Japanese Consulate General's memorandum.

815.6/885  
SS/CML

Original and four copies to Department of State,  
Copy to Embassy, Peiping,  
Copy to Embassy, Chungking,  
Copy to Embassy, Tokyo,  
Copy to Commander-in-Chief, U. S. Asiatic Fleet,  
Copy to Consulate General, Shanghai.



Enclosure No. 1  
Tsingtao despatch no. 319  
JAN 15 1940

COPY

CONSULATE-GENERAL OF JAPAN  
TSINGTAO, CHINA.

Additional opening of a berth and other harbour facilities to the Third Power shipping at Tsingtao Great Harbour and certain regulations thereof.

1. No. 6 berth of No. 1 Wharf is to be opened to the vessels of all nationalities on and after January 13th, 1940, in addition to the already opened Nos. 4 and 5 berths of No. 1 wharf and No. 4 wharf.

Nos. 4 and 5 godowns are to be put into the use of the Third Power vessels as well as Japanese.

The use of above facilities will not be suspended wholly or partly unless the military necessities make it imperative.

However, the use thereof by a Third Power vessel will be suspended in case there exists a positive proof that the vessel is in communication with the Chinese forces or guerillas and has taken any action beneficial to the enemy.

2. (a) Only those coolies hired exclusively by the wharf company shall engage in the loading and unloading of cargo within the wharf compound.

(b) Only those firms or individuals having the permission of the wharf company shall engage in the transportation of goods within the boundary of the said wharves.

(c) The loading and unloading of cargo and the embarkation and disembarkation of passengers at night will be allowed. However, the permission of the Japanese authorities concerned is required for the time being.

(d) Any person (passenger, ship's agent, ship's crew, employee of any firm etc.) can go on board or get off the vessels lying alongside the wharf upon the presentation of a permit issued by the Japanese authorities concerned.

DECLASSIFIED: E.O. 11652, 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

March 12, 1940

GA:  
MMH:

and 1909, Feb 14, 1940

Reference Shanghai's 2853, January 25, 1940, and 2873, January 31, 1940, entitled "Japanese proposals regarding reopening of Custom Houses at Chinkiang and Nanking in connection with restoration of Yangtze navigation".

The despatches under reference contain some statistical material in regard to Customs personnel and give in detail the attitude of the Inspector General in regard to the reopening of the customhouses at Chinkiang and Nanking. There is nothing new of importance in the despatches and they need not be read unless you wish to refresh your memory in regard to the question of the customhouses at Chinkiang and Nanking.

793.94112/338

WAA  
FE:Adams:HJN

No. 321

AMERICAN CONSULATE

Tsingtao, China, January 17, 1940.

SUBJECT: Views of American Chamber of Commerce, Tsingtao, on Opening of Yangtze. Skepticism Expressed Because of Conditions Following Opening of Tsingtao. Position in Tsingtao Chiefly Concerns British Shipping but American Shipping and Trade Concerned. First American Vessel in Two Years Soon to Call at Tsingtao.

RECEIVED  
DEPARTMENT OF STATE

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to this consulate's

telegram no. 7 of January 16, 9 a. m., transmitting

a communication from the American Chamber of Commerce

at Tsingtao in which there are expressed the views

of the Chamber on the expected opening of the Lower

Yangtze to foreign shipping and wherein there is

given a summary of the position of such shipping

at Tsingtao following the partial opening of this

1/ port. A copy of the text of the Chamber's despatch

is enclosed.

Summary.

The American Chamber of Commerce at Tsingtao recommends caution on the part of the American Government in respect to the Japanese proposal to open the Lower Yangtze; the Chamber is skeptical because of the unsatisfactory shipping situation in Tsingtao, where in spite of the partial opening of the harbor foreign shipping has met with many difficulties which Japanese vessels have not encountered. The situation here chiefly affects British shipping, but a test

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ASSISTANT SECRETARY OF STATE	RECEIVED DEPARTMENT OF STATE
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SHIPPING REPORT

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Treasury (Coast Guard)  
Maritime Commission  
Navy  
Maritime Labor Board  
Commerce

72  
DCA

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- 2 -

will soon be made when the first American vessel to call at Tsingtao in almost two years arrives about the fifteenth of February.

It may be stated that a draft of the Chamber's despatch was shown to me by Mr. Frederick C. Bruns, President of the Chamber, on the morning of Saturday, January 13, on which date at 3 p. m. the Japanese Consulate General announced the extension of further harbor facilities to foreign shipping. Mr. Bruns is manager of the local office of the Robert Dollar Company and actively interested in shipping, although the company's activities here are at present altogether confined to the importation and sale of lumber. The consulate offered to transmit the despatch by naval radio to the Department. Mr. Bruns and I discussed various elements of the situation here; during the discussion I showed him the account of the State Department press conference given in Radio Bulletin No. 297 of December 18, 1939, wherein the Yangtze opening is referred to, and also the editorial comment which appeared in the Shanghai weekly FINANCE & COMMERCE of January 3, 1940. For convenience, the  
2/ press conference and the editorial comment referred to have been copied in enclosure no. 2 to this despatch. In general I indicated at the time, i.e., before the Japanese announcement of January 13 had been made, that an attitude of "wait and see" was preferable and probably more advantageous than complete cynicism and "mockery" of Japanese action. I may add that the local office of the Robert Dollar Company is  
expecting...

- 3 -

expecting shortly a cargo of lumber from the Pacific Coast; this lumber is on a Japanese vessel.

American Ship Due in Tsingtao.

A Japanese importer is bringing in a cargo of lumber on an American vessel, the S.S. MICHIGAN, due to arrive here on or about February 15, 1940.\* This will be the first American ship to call at Tsingtao in almost two years. This consulate is hoping to make arrangements which will secure the prompt despatch of this American vessel, but delay may occur because of a genuine shortage of labor. The handling of lumber requires considerable labor and with the present congestion on the wharves there may be difficulty; the consulate, however, hopes to be able to secure in advance assurance of treatment for this ship as favorable as any obtained, or at least to make arrangements which will allow early despatch of the S.S. MICHIGAN. At the time the Chamber prepared its communication now enclosed it was not aware that the S.S. MICHIGAN was loading lumber on the Pacific Coast for Tsingtao.

Respectfully yours,

*Samuel Sokobin*  
Samuel Sokobin,  
American Consul.

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\*See Tsingtao's telegram to Department, repeated to Peiping, no. 4 of January 12, 1940, 3 p.m.

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

- 4 -

✓  
2 Enclosures:

1. From American Chamber of Commerce
2. Press conference and editorial comment

815.6/885  
SS/CML

Original and four copies to Department of State,  
Copy to Embassy, Peiping,  
Copy to Embassy, Chungking,  
Copy to Embassy, Tokyo,  
Copy to Commander in Chief, U. S. Asiatic Fleet,  
Copy to Consulate General, Shanghai.

Enc. 1  
Tsingtao American Chamber of Commerce 321  
JAN 17 1940

D E S P A T C H

To: Cordell Hull, Secretary of State,  
Washington, D. C.

From: Tsingtao American Chamber of Commerce.

Transmission: Through American Consulate, Tsingtao.

Subject: Partial Opening of Yangtsze River and  
Tsingtao Wharf Facilities.

In respect to suggested partial opening of the Yangtsze River under implied restricted conditions as far as Nanking to foreign shipping, the Tsingtao American Chamber of Commerce respectfully suggest that a situation analogous to the partial opening of Tsingtao wharf facilities for foreign shipping may result.

From March 25th, 1939, allotment of two general cargo berths at pier no. 1 and one dangerous cargo berth at pier no. 4, up to December 31st, 1939, a total of 116 vessels have been accommodated at these berths in Tsingtao. 152 vessels were forced to handle cargo and passengers at the unsuitable and most inconvenient Back Bay Anchorage, which anchorage was never utilized prior to the Japanese occupation of Tsingtao in 1938, due to the fact that sufficient wharf accommodation does exist at Tsingtao for all shipping. During this period all but two Japanese vessels using the port of Tsingtao were accommodated promptly with wharf facilities at the four piers for ocean shipping. Immediately after the original allotment of berths a genuine attempt was made to accommodate the foreign vessels at the two berths but gradually these facilities were used for Japanese purposes until the month of September when not one foreign vessel had the use of the allotted berths. Specifically, preference is always granted Japanese vessels through medium of various monopoly practices including labour, lighterage and details providing prompt despatch. By means of permit requirements Japanese authorities control native merchants' export freight bookings resulting in foreign vessels only handling cargo not desired or unsuited to Japanese bottoms. Example:- The SS "NORDVEST" arrived at Tsingtao from the Pacific Northwest with a cargo of three million feet of lumber on November 1st, 1939, and she was deliberately delayed for a period of 35 days in discharging. Foreign vessels find deliberate delays very costly and at present are refusing to call at Tsingtao due to uncertain despatch. This has resulted in Pacific Coast lumber merchants being unable to secure tonnage for Tsingtao and recently Japanese vessels have undertaken this trade following assurance of prompt despatch from Tsingtao.

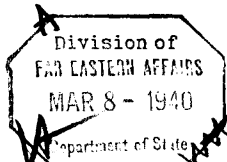
The Tsingtao American Chamber of Commerce respectfully recommend extreme caution in accepting any proposed partial Yangtsze reopening arrangements which most probably will result in only a gesture as is the case at Tsingtao notwithstanding the world wide publicity given the subject by the Japanese at the time of the berth allotment in March, 1939.

Copied by CHS.

NO. 2853

AMERICAN CONSULATE GENERAL,  
Shanghai, China, January 25, 1940.

Confidential.



RECEIVED  
DEPARTMENT OF STATE  
7 PM 3 45

SUBJECT: Japanese Proposals Regarding Reopening of  
Custom Houses at Chinkiang and Nanking in  
Connection with Restoration of Yangtze  
Navigation.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to this Consulate General's  
telegram No. 70 of January 24, 5 p.m. regarding the  
Japanese "requests" apropos the reopening of the Custom  
Houses at Chinkiang and Nanking in connection with the  
proposed reopening of the Yangtze River to foreign com-  
mercial navigation as far as Nanking, and to enclose for  
the information of the Department copies of 1) the letter  
received from Inspector General of Customs Sir Frederick  
Maze under date January 20, 1940, together with its en-  
closures; 2) a memorandum of my conversation of January  
23 with Mr. A. S. Campbell, Personal Secretary to the  
Inspector General; and 3) a memorandum of January 24,  
1940 recording statements made regarding the matter  
by the Commercial Counselor of the British Embassy and  
the French Counselor of Embassy.

It will be observed that it was stated in the  
memorandum that the decision to reopen the Yangtze  
River to foreign commercial navigation. conforms to

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ASSISTANT SECRETARY  
OF STATE  
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the interests of foreign Powers generally; that, incidental to the work of preparation for restoration of navigation, the Japanese Embassy requests that the Inspector General make requisite preparation for resumption of functioning of the Customs at the treaty ports Nanking and Chinkiang; that the Japanese Army and Navy authorities are being approached with the request that, so far as permitted by military necessity, the buildings and premises belonging to the Customs be returned to the latter for use in connection with restoration of functioning of the Custom Houses indicated; and that the Japanese authorities request the allotment to Japanese officers of certain Customs posts, including that of Commissioner, at the two places.

The Inspector General stated that, if the restrictions which may be prescribed by the Japanese in connection with the reopening of the Yangtze to commerce prove acceptable to the concerned Powers, an essential preliminary of the resumption of trade would be the reopening of the concerned Custom Houses. He stated further that, lacking pertinent instructions from the National Government, he contemplates taking no action at present; but he suggested that the concerned Powers should take steps to ascertain the attitude of that Government in regard to the proposal that the Maritime Customs shall resume functioning at the above-mentioned ports. It was explained to me confidentially by Sir Frederick Maze's Personal Secretary that Sir Frederick anticipates that unless the Powers act along the lines suggested he will

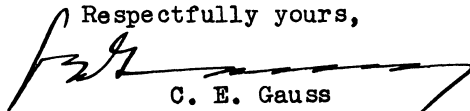
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- 3 -

be ordered by Chungking not to reopen the Custom Houses, and that Japan would take advantage of that situation to postpone reopening of the river on the ground that the Customs refused to cooperate, or, that Japan might take the opportunity in such circumstances to set up its own or a "puppet" Customs regime, thus impairing the integrity of the Customs. The Personal Secretary further stated that the Inspector General therefore feels that the Powers, if they desire the resumption of trade as proposed, should pave the way at Chungking by letting the National Government know that they desire the reopening of navigation and the concerned Custom Houses and that for the maintenance of the integrity of the Customs it is requisite that the Custom Houses be reopened by the Inspector General and that he supply the personnel.

It will be noted that much of the discussion between the Inspector General and Counselor of Embassy Miura centered around the Japanese request for an increase of Japanese representation on the Customs staff at Chinkiang and Nanking; and that Mr. Campbell indicated that, while the question of personnel is considered to be secondary to the question of whether or not the Custom Houses shall be reopened, he believed that Sir Frederick would oppose the selection of Japanese as commissioners for both posts, although perhaps one commissioner would have to be a Japanese and there would be a need for other Japanese personnel.

Respectfully yours,

  
C. E. Gauss  
American Consul General

Enclosures:

- 4 -

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D Enclosures:

- 1/ - Copy of letter from Inspector General of Customs, dated January 20, 1940, with enclosures.
- 2/ - Copy of memorandum of conversation with Personal Secretary to Inspector General of Customs, dated January 23, 1940.
- 3/ - Copy of memorandum of statements made by Commercial Counselor of the British Embassy and the French Counselor of Embassy.

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In Quintuplicate.

Copy to Embassy, Peiping. (By hand via Tokyo).  
Copy to Embassy, Chungking (By pouch).  
Copy to Embassy, Tokyo (By hand).

# 155  
Dj.n

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. 1853, dated January 25, 1940, from C. E. Gauss, Consul General at Shanghai, China, on the subject of: "Japanese Proposals Regarding Reopening of Custom Houses at Chinkiang and Nanking in Connection with Restoration of Yangtze Navigation."

Copy

CONFIDENTIAL

Shanghai Office of the  
Inspectorate General of Customs,  
421 Hart Road,

Shanghai, 20th January, 1940.

Dear Mr. Gauss:

With reference to my letter dated 27th December last, concerning the proposed reopening of the Yangtze River to trade, I beg to inform you that Mr. Miura, Counsellor of the Japanese Embassy, called this morning and handed to me a memorandum embodying the Japanese requirements - or, as he explained, "requests" - in respect of reopening the Customs' establishments in Nanking and Chinkiang. I attach hereto a copy of the document in question, and it will be observed that it is stated therein that the decision to reopen the Yangtze conforms with the interests of the foreign Powers; that the Inspector General is requested to make the necessary preparations for resuming Customs' work in Nanking and Chinkiang; that the Japanese Embassy is approaching the Army and Naval Authorities "to place occupied Customs property at the disposal of the Customs"; and that the Inspector General is requested to appoint Commissioners (and other officers) of Japanese nationality to the above ports.

I have not been advised whether the American Government are prepared to accept the conditions which the Japanese Authorities will impose - that is to say, whether American merchants will resume business operations on the River subject to the restrictions which may be prescribed? On the assumption, however, that the terms may prove acceptable, and that the Powers desire trade on the River to be resumed, it follows that an essential preliminary, as mentioned in the above letter, is the reopening of the Custom Houses concerned. This premised, I ought to indicate that, in the absence of instructions from, or information regarding the views of, the Chinese Government on the subject, I do not intend to move in the matter for the time being. I suggest, however, that the interested Powers should approach the Chinese Government in this connection in order to ascertain their attitude regarding the proposed resumption of Maritime Customs activities at the above ports?

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C. E. Gauss, Esquire,  
SHANGHAI.

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Turning to the question of the Japanese Staff proposals, I may remark that Mr. Miura's contention that it is misleading to argue that 47% of the Customs foreign staff are of Japanese nationality in view of the fact that the majority of Japanese employees are in the Out-door Staff, is not entirely illogical. The following table illustrates existing staff conditions:-

Japanese Employees in Customs Service

<u>Total number:</u>	449 = 47.21% of total Foreign Staff
<u>In-door:</u>	54 = 33.75% of Foreign In-door Staff
<u>Out-door:</u>	361 = 61.82% of Foreign Out-door Staff
<u>Coast:</u>	5 = 7.35% of Foreign Coast Staff
<u>Marine:</u>	29 = 20.86% of Foreign Marine Staff

The above figures include a number of men engaged on contract for a period of three years.

I shall be glad to be favoured with your observations on the above matters.

Yours sincerely

(signed) Sir Frederick Maze

Enclosure

Copy of Memorandum handed to Inspector General by Mr. Y. Miura, Counsellor of Japanese Embassy, on 20th January 1940

The Japanese Army and Naval Authorities on the spot have recently announced, as is well-known, their decision to launch various preparations with a view to re-opening the Yangtze River as far as Nanking for foreign commercial navigation, subject to restrictions necessitated by military requirements and by measures for the maintenance of peace and order in that area. The above decision on the re-opening of the Yangtze, it is believed, conforms with the interest of foreign Powers in general which was intimated to the Japanese Government on various occasions.

As part of the aforementioned preparations, considerations are being paid to the resumption of the Customs service at Nanking and Chinkiang, two treaty ports on that stretch of the Yangtze, and, in this connection, this Embassy hereby requests that the Inspector-General will be good enough to make necessary preparations for the new functioning of the said Customs.

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In the meantime, this Embassy takes delight in informing the Inspector-General that the former is now approaching the Japanese Army and Naval Authorities with the request that the premises and buildings, erstwhile property of the Customs, be placed at the disposal of the Customs to be newly established in so far as the military necessities permit.

Furthermore, this Embassy wishes, on this occasion, to draw the attention of the Inspector-General to the important requests on the part of the Japanese Authorities for the allotment of certain posts in the said Customs Administration to the Japanese officers, and for the new employment of the Japanese Customs officers. Concerning the prospective posts and the number of the Japanese staff, the Japanese Authorities regard the appended plan as necessary to secure and maintain harmonious co-operation with the Customs Authorities in present circumstances, setting aside the additional staff members who may be required in future. The proposed appointment of Japanese officers to Nanking and Chinkiang necessarily involves the question of newly recruiting corresponding number of Japanese, as all the Japanese staff now on the list seem to be fully required (in some cases, more is actually required) at the existing Customs within the occupied areas.

The Inspector-General is most earnestly requested to concur with the broad viewpoint being taken by the Japanese Forces vis-a-vis of the projected re-opening of the lower Yangtze River for the benefit of the foreign trade and commerce, and to give serious consideration to the proposed preparatory works and schemes for opening the two Customs in question, inclusive of the appointment and new employment of Japanese officers.

(signed) Y. Miura

(Seal of Japanese Embassy in China)

Shanghai,  
January 20th, 1940.

A PLAN OF THE POSTS TO BE OCCUPIED BY JAPANESE STAFF  
IN THE CUSTOMS AT NANKING AND CHINKIANG

	<u>Nanking Customs</u>	<u>Chinkiang Customs</u>
I. In-door Staff		
Commissioner	1	1
Assistants	3	2
II. Out-door Staff		
Chief Tidesurveyor (Harbour Master)	1	0
Tidesurveyor (Harbour Master)	0	1
Boat Officers	2	2
Appraisers	2	1
Examiners	3	2
Tidewaiters	12	6
III. Harbour Staff		
Harbour Officer	1	1
Total	25	16

- 4 -

Sub-Enclosure No. 2 to Enclosure 1.

INTERVIEW BETWEEN THE INSPECTOR GENERAL AND MR. Y. MIURA,  
COUNSELLOR OF THE JAPANESE EMBASSY, ON 20th JANUARY, 1940.

Also present were Mr. Ishiguro, Secretary of the Japanese Embassy and Mr. A. S. Campbell, Personal Secretary to the Inspector General.

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Mr. Miura, Counsellor of the Japanese Embassy, called on the Inspector General on the morning of the 20th January, 1940. Mr. Miura said that the Japanese Authorities were now preparing to re-open the Yangtze River to International trade as far as Nanking, and that an important part of these preparations lay in arranging for the Custom Houses (now closed) to be re-established at the river ports concerned. The Inspector General enquired when it was intended to re-open the River, and Mr. Miura replied that it would be re-opened as soon as the necessary preparations are completed; that so far no definite date has been fixed, but that he hoped it might be early in March; and that it was in regard to the re-establishment of the Custom Houses at Chinkiang and Nanking that he had called. He said that insofar as Chinkiang was concerned the Japanese Naval and Military Authorities were prepared to place at the disposal of the Customs Authorities various Customs buildings now occupied by Japanese, but that at Nanking there were certain difficulties as, so far as could be gauged at present, the Japanese Authorities could not see their way to the immediate return of all Customs property at that port. The Inspector General remarked that the question of the return of Customs property formed an important feature in discussions concerning the re-opening of Customs establishments; and Mr. Miura replied that he had not full details at the moment, but that the question could be gone into at a later date.

Mr. Miura proceeded to say that conditions now obtaining on the Yangtze would necessitate a large proportion of the staff appointed to Chinkiang and Nanking to be of Japanese nationality. The Inspector General replied that if the Customs were re-established at these two ports he would attend to their staff requirements by transferring available officers from other ports. Mr. Miura said that it was considered that the engagement of new recruits of Japanese nationality was necessary, especially as it was also intended to re-open the Pearl River and he understood that the Japanese Consul-General at Canton had already set forth his requirements in respect of Japanese Customs employees at that port. The Inspector General said that he would not act on Customs staff requirements estimated by a Consul-General, and that he was awaiting receipt of a report on present and future staff requirements from the Canton Commissioner, who has been requested to look

into

- 5 -

into the matter. Mr. Miura asked if he was correct in assuming that the Inspector General intended to increase the Canton staff with the required Japanese employees by transfers from Tientsin. The Inspector General replied, from Tientsin and other ports. Mr. Miura advanced the view that the existing number of Japanese now employed by the Customs was barely sufficient to meet requirements at the various occupied ports, and, this being the case, the Japanese Embassy considered it essential that further employees of Japanese nationality be recruited to replace those drafted to Chinkiang and Nanking, and eventually to Canton. The Inspector General said that he was not in a position to recruit more Japanese, and pointed out that the number of Japanese now employed in the Customs Service represented 47% of the entire Customs foreign staff; that he considered, therefore, that there were sufficient men available to meet probable demands at Nanking, Chinkiang and Canton by transfers from other ports; and that it should be considered that when a number of new Japanese recruits were engaged last year the future requirements for the Yangtze and Pearl River ports, etc., were taken into account. Mr. Miura replied that the majority of Japanese employees now in the Customs were in the Out-door staff; that it was scarcely fair, therefore, to argue the point from a total percentage of the foreign staff; and that he considered that Japanese interests in the special conditions now obtaining demanded that if any Japanese were transferred to meet the demands of re-opened ports their places should be filled by new recruits of Japanese nationality. The Inspector General stressed the point that there was already a preponderance of Japanese staff in the service over that of any other nationality and that he could not be expected to disregard the interests of other Powers in deference to the wishes of any one Power. Mr. Miura pursued his argument, however, but finally said that the Japanese Authorities were mainly concerned in regard to representation in the In-door staff and that so far as the Out-door staff was concerned they would not object to vacancies created by transfers to other ports being filled by employees of Chinese nationality, but that he must stress the Japanese Government's desire for more Japanese representation in the In-door staff and in the higher posts of the Service. Mr. Miura then presented the Inspector General with a Memorandum in regard to the re-opening of the Custom Houses at Chinkiang and Nanking with an attached list of Japanese staff it is desired should be appointed to the respective ports (copy appended). The Inspector General remarked that he noticed that a Japanese Commissioner was demanded for each of the two ports on the Yangtze. Mr. Miura replied that these were not "demands" but "requests", to which he hoped the Inspector General would give his sympathetic consideration; that he did not consider it unreasonable to ask that a Japanese Commissioner be appointed to each of these ports, since Nanking is now the capital of the "Reformed Government" and Chinkiang is an adjacent port. He also incidentally remarked that it was quite impossible to operate the Customs at ports in the occupied area by attempting to apply instructions issued by the Chungking Government; and that any instructions

emanating



- 6 -

emanating from that source should be disregarded. The Inspector General replied that it should be clearly understood that first and foremost he is a servant of the Chungking Government - the recognised Government of China; and that, as he had intimated to the Japanese Ambassador on a former occasion, it would not be proper to regard this anomalous Chinese Maritime Customs Service in the same light as a Chinese "Likin Station", because Treaties, circumstances, and established practice have invested the Service to some extent with an International character for the conduct of such foreign interests as are involved, which are provided for by Protocol, Loan Agreements, Conservancy Agreements, and Harbour Regulations, etc. It follows, therefore, the Inspector General continued, that it is impossible for him to allow his policy to be unduly influenced by the injunctions of one Power against the declared wishes of other Powers; and that in the present case he must, of course, examine the question at issue in this light and inform the interested Powers.

(Signed) A. S. Campbell,  
Personal Secretary.

20th January, 1940.

Copied by FC  
Compared with JLM

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

Enclosure No. 2 to despatch No. 1853, dated January 25, 1940, from C. E. Gauss, Consul General at Shanghai, China, on the subject of: "Japanese Proposals Regarding Reopening of Custom Houses at Chinkiang and Nanking in Connection with Restoration of Yangtze Navigation."

COPY

MEMORANDUM

AMERICAN CONSULAR SERVICE

Shanghai, January 23, 1940.

Mr. A. S. Campbell (Commissioner of Customs), personal Secretary to Sir Frederick Maze, Inspector General of Customs, came to see me this afternoon to interpret and explain Sir Frederick's recent letter regarding the opening of the Yangtze. He said that Sir Frederick had not felt that he could state the position officially quite as plainly as it might be explained orally.

Campbell said that if Sir Frederick proceeds to reopen the custom houses at Nanking and Chinkiang he is more than likely to receive peremptory orders from Chungking to close them. If he reports to Chungking that he proposes to reopen them - he notified Chungking when he closed them - he is likely to be told bluntly not to do so, unless the interested Powers make it known at Chungking that they desire the reopening of the Yangtze - which would necessitate reopening of the Custom Houses - when it is possible that the Chinese Government, while not approving, may simply take no adverse action. If the Customs do not reopen the custom Houses in pursuance of the Japanese proposal to reopen the river to navigation, then the Japanese will say that they endeavored to reopen the river to navigation but the Customs refused to reopen the custom houses; or they may use such refusal of the Customs to justify setting up their own Customs regime, and that would be the beginning of the break down of the integrity of the Customs.

Sir Frederick feels that he should have some indication from the Powers that they desire the reopening of the Yangtze to trade and the reopening of the Customs Houses, and that the Powers, if they wish such reopening, should pave the way at Chungking by letting the Chinese Government know that they desire the reopening of navigation and the custom houses and that the maintenance of the integrity of the Customs demands that the Inspector General reopen the custom Houses and supply the personnel for the purpose; that it should not be left to the Japanese or some puppet government to establish a customs.

I told Campbell that I could not speak for the American Government on the question of the reopening of the Yangtze; we do not know what restrictions the Japanese propose to place on the trade on the river; but I do believe that the American Government desires the early restoration of trade and trading facilities on the river.

I am

- 2 -

I am not in a position, however, to make any communication on the subject to Sir Frederick Maze without instructions.

I asked whether Sir Frederick is prepared to meet the Japanese proposals for Japanese commissioners and considerable other Japanese staff at Chinkiang and Nanking. Campbell replied that the question of personnel is secondary to the question whether the customs houses should be reopened. He believes that Sir Frederick will oppose both Commissioners being Japanese, though perhaps one will have to be; and there will be need for other Japanese personnel. In this connection Campbell pointed out that Sir Frederick Maze in talking with Mr. Miura had referred to the Japanese proposals as "demands" (doing so purposely) and Miura had been prompt to state that they are not "demands" but requests.

The situation, in brief, is that Sir Frederick feels that he should have some indication from the interested Powers that they desire the opening of the Yangtze to navigation and trade, and that they are disposed to make such representations at Chungking as to ensure that when he reports his intention to reopen Nanking and Chinkiang he will at least not receive mandatory instructions from Chungking not to do so. He (Campbell) does not believe that the Government at Chungking will ever agree or approve; but it is hoped that with the necessary preparatory gesture on the part of the interested Ambassadors or Governments, Chungking will not object.

Campbell said he had been to see Hutchinson, Commercial Counselor of the British Embassy. He knows no one in the French Embassy to approach. I mentioned Willie Georges-Picot.

I told Campbell that about all I can do in the matter is to put the situation to Washington and let them decide whether they wish to have anything said to Maze in reply to his inquiry, and whether they may be disposed to instruct the Embassy at Chungking, in collaboration with the British and French or others interested, to take some action with the Chungking Government to ensure that they will not take peremptory measures to instruct the IG not to reopen the Nanking and Chinkiang custom houses.

C. E. GAUSS

Copied by FC  
Compared with JLM

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

Enclosure No. 3 to despatch No. 2853, dated January 25, 1940, from C. E. Gauss, Consul General at Shanghai, China, on the subject of: "Japanese Proposals Regarding Reopening of Custom Houses at Chinkiang and Nanking in Connection with Restoration of Yangtze Navigation."

Copy

MEMORANDUM

AMERICAN CONSULAR SERVICE

Shanghai, January 24, 1940.

Mr. Hutchinson, Commercial Counselor of the British Embassy, told me this afternoon that the British Embassy proposes to inform London and the British Ambassador now at Chungking of the purport of the Japanese requests to Maze and the explanations given by Campbell, and to suggest that Sir Archibald Clark Kerr consider what if any approach he might make at the proper time to the Ministry of Finance at Chungking (to which Sir Frederick Maze reports) and that he authorizes a reply to Maze to the effect that if and when the Yangtze is opened it is the hope of the British Embassy that the custom houses will be operated under the administration of the Inspector General and that Sir Frederick Maze should keep the British Embassy informed of developments in the discussion with the Japanese and also advise the British Embassy in advance of reporting to the Ministry of Finance so that the Ambassador may be prepared for any approach he may consider it feasible to make to the Chungking Government.

Mr. Georges-Picot of the French Embassy told me over the telephone this morning that he is reporting the matter to his Ambassador, but he has not indicated what suggestions or recommendations he might make. Hutchinson of the British Embassy told me that he proposes to drop in on Georges-Picot and tell him in effect what he has told me as outlined above.

C. E. GAUSS

Copied by FC  
Compared with JLM

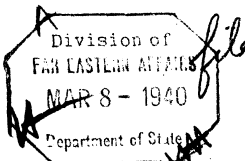
NO. 2873

AMERICAN CONSULATE GENERAL,

Shanghai, China,

January 31, 1940.

CONFIDENTIAL.



793.94112  
note  
693.002

SUBJECT:

Japanese proposals regarding reopening of  
Custom Houses at Chinkiang and Nanking in  
connection with restoration of Yangtze  
navigation.

RECEIVED  
DEPARTMENT OF STATE  
MAR 7 1940

HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

793.94112/338

With reference to my despatch no. 2853<sup>337</sup> of January  
25, 1940, and to the Department's telegram no. 43,<sup>310</sup> Janu-  
ary 27, 2 p.m., concerning the reopening of the Yangtze  
River to navigation and the reestablishment of the Chinese  
Maritime Customs at Chinkiang and Nanking, I have the hon-  
or to enclose:

- 1/ Copy of my letter of January 31, 1940, to the  
Inspector General of Customs.
- 2/ Copy of a letter sent by the Inspector General  
of Customs, dated January 25, 1940, to the Min-  
ister of Finance at Chungking.

A copy of the last mentioned letter was shown to me  
today by the personal secretary of the Inspector General  
and he consented to my making a copy for my record.

Respectfully yours,

C. E. Gauss  
American Consul General

Enclosures

-2-

✓  
Enclosures:

- 1/- Copy of Mr. Gauss' letter dated  
January 31, 1940, to the Inspector  
General.
- 2/- Copy of letter from the Inspector  
General dated January 25, 1940,  
to Dr. Kung.

880  
CEG:LMF

In quintuplicate to the Department.  
Copy to Peiping. (By hand - via Tokyo.)  
Copy to Chungking. (By pouch.)  
Copy to Tokyo. (By hand.)

4 - IES  
- [Signature]

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 13-18-75

Enclosure no. 1 to despatch no. 2873 of C. E. Gauss,  
American Consul General at Shanghai, China, dated January  
31, 1940, on the subject: "Japanese proposals re-  
garding reopening of Custom Houses at Chinkiang and Nan-  
king in connection with restoration of Yangtsze navigation."

880  
CEG:LMF

Shanghai, January 31, 1940.

CONFIDENTIAL.

My dear Sir Frederick:

With reference to your letter of January 20th, and  
to my conversation with Mr. Campbell on January 23rd,  
concerning the proposed reopening of the Yangtsze, I  
have been instructed to inform you that the American  
Government has consistently objected to any interference  
with the rights of Americans with respect to navigation  
and trade on the Yangtsze and, naturally, desires to see  
normal navigation on the Yangtsze restored; that my Gov-  
ernment is likewise -- as it has repeatedly indicated --  
interested in the maintenance of the administrative in-  
tegrity of the Chinese Maritime Customs; but my Govern-  
ment is not inclined at the moment to attempt to influ-  
ence the Chinese Government in its attitude in the mat-  
ter under consideration.

Sincerely yours,

C. E. Gauss  
American Consul General

Sir Frederick Maze, K.B.E.,  
Inspector General of Customs,  
421 Hart Road,  
Shanghai.

Copied by: LMF  
Compared with: MB

Enclosure no. 2 to despatch no. 1873 of C. E. Gauss,  
American Consul General at Shanghai, China, dated January  
31, 1940, on the subject: "Japanese proposals re-  
garding reopening of Custom Houses at Chinkiang and Nan-  
king in connection with restoration of Yangtze navigation."

CONFIDENTIAL

25th January, 40.

Dear Dr. Kung,

I hasten to advise Your Excellency that the Japanese Embassy Authorities here recently informed me that the Japanese Government propose to re-open the Yangtze River to foreign trade in the near future, and I have been desired to furnish plans in connection with re-opening of the Custom Houses in Nanking and Chinkiang. I declined to acquiesce; and in the meantime have addressed the interested Powers in the above sense and have requested them to be good enough to let me have their observations on the subject. In the event of the Powers accepting the Japanese terms (as is not improbable) the question would arise whether or not the Custom Houses concerned are to be re-opened? Seeing that the Japanese declared intention to re-open the River is doubtless meant to be a friendly gesture to the foreign Powers (especially America), notwithstanding the fact that it may not be in Japan's interests to re-open it, they (the Japanese Authorities) might conceivably welcome a refusal on our part to resume Customs' work at the above ports which might be regarded as relieving them of further responsibility in the matter. In other words, they would possibly in that case seek either to blame the Customs for obstructing the fulfilment of the first step towards the resumption of normal trade conditions on the Yangtze, or might re-open the Custom Houses themselves with separate staffs nominally under the control of the "Reformed Government", and thus introduce procedure inimical to Chinese prestige; and the interested and friendly Powers, on their part, might resent our failure to cooperate and thus facilitate a return to pre-war conditions in the Yangtze valley: in such circumstances they (the Powers) would experience difficulty in protesting against such contravention of the integrity of the Customs. If this view is correct, it follows that the Customs position would be weakened in that the Japanese Authorities would have an opportunity to declare that they did not desire to disrupt the unity of the Customs Service; and that they had been compelled to take independent action in view of the Inspector General's refusal to re-open the Custom Houses concerned.

Believe me,

Yours sincerely,

F. W. Maze.

His Excellency  
Dr. H. H. Kung,  
etc., etc., etc.,  
CHUNGKING.

Copied by: LMF  
Compared with: MB



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

No. 130

THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

Division of  
Far Eastern Affairs  
MAR 9 - 1940  
Department of State

AMERICAN CONSULATE GENERAL

Canton, China, February 5, 1940.

CONFIDENTIAL

SUBJECT: Reopening of Pearl River.

RECEIVED  
DEPARTMENT OF STATE

MAR 7 1940  
MAR 7 1940

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

I have the honor to refer to my telegrams of January  
27<sup>312</sup> and 29<sup>314</sup> in regard to the conditions under which the  
Pearl River will be reopened in the near future for cargo  
transportation by third power vessels and to report supple-  
mentary information on the subject.

As it would appear from statements made to the  
Commissioner of Customs by the Japanese Consulate General  
(Consul General Kita and Consul Matsudaira) that the  
appointment and arrival here of seven Japanese customs  
officers are a condition precedent to the reopening of  
the river, it may be of interest to review briefly the  
situation in regard to the local customs staff. According  
to information from the customs authorities, the total  
indoor staff and outdoor staff on July 1, 1938, when the  
trade of the port was at its peak, numbered 97 and 158  
respectively and on January 1, 1940, when the port was

closed,

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ASSISTANT SECRETARY  
OF STATE

DEPARTMENT OF STATE

793.94112/339

- 2 -

closed, these staffs numbered respectively 39 and 72, some of whom were on leave. About a year ago the Japanese demanded that the Canton staff must contain 32 Japanese (not 30 as reported in my telegram of January 5, 1939), from which position they have not receded, including one administrative commissioner, two assistants, one acting tidesurveyor additional, two boat officers, one acting harbor master additional, one harbor officer, one acting chief appraiser additional, three examiners and twenty tidewaiters. It is obvious that they intend to have Japanese in all ranks of the service for the purpose of maintaining a close check on the trade of the port. It would appear that the seven officers, whose assignment is now immediately desired, will be considered adequate during the period that the river is open to a limited number of river steamers (that is, during the first stage) and that sixteen officers (comprising one administrative commissioner, one assistant, one acting harbor master additional, one examiner and twelve tidewaiters) inclusive of the above mentioned seven will be desired by the time the river is reopened conditionally to river, coasting and foreign vessels (presumably the second stage).

It is understood that during the conversations which have taken place between the Commissioner of Customs and Japanese consular authorities, the Commissioner pointed out that the present customs staff is adequate to handle all traffic which may be expected to develop for some time to come and that although the services of the above-mentioned

seven

- 3 -

seven officers would be desirable when the river is reopened, he considered that the addition of thirty-two Japanese would be unwarranted and excessive. During a recent conversation it is understood that the Japanese authorities, in addition to emphasizing the importance of the immediate appointment of seven Japanese customs officers, indicated that the appointment of the remainder of the staff originally demanded should be postponed for future consideration. It is believed that this statement indicated the urgency of appointing the seven officers rather than a possible withdrawal or lessening of the original demands.

In addition to the restoration of customs control over steamers and their cargoes entering and leaving this port and the collection of duties in accordance with the "new" tariff in force at Shanghai (as reported in my telegrams under reference), it is understood that customs property, launches, et cetera, will be restored to the control of the Commissioner, that the customs will be permitted to resume preventive work in the Canton harbor but not in the Canton delta area, that junk traffic between Canton, Hong Kong and Macao will not be permitted and that control of shipping in the harbor of Whampoa will be reserved to the Japanese authorities. Needless to say, with Whampoa under the sole control of the Japanese, ample opportunity will exist for illicit trade by Japanese steamers, or so-called transports.

SUMMARY

- 4 -

SUMMARY:

It will be noted from the foregoing that the reopening of the Pearl River to cargo transportation is to be gradual; that at the outset this reopening shall apply to a limited number of river steamers plying between Canton, Hong Kong and Macao, the entry of other steamers being subject to the granting of special permission; and that before this step is taken, seven Japanese customs officers must be on duty. It is understood that the matter of the appointment of these officers has been referred to the Inspector General (the recent transfer of seven officers from Tientsin having been held up owing to objection on the part of the Japanese authorities at Tientsin) and that without receding from their original demands that thirty-two Japanese be appointed the Japanese have indicated that they desire the appointment of sixteen Japanese by the time the river is open for river, coasting and foreign vessels. Although it appears that the reopening of the river is regarded by the Japanese as particularly urgent presumably because of political or diplomatic reasons, a Japanese consular officer is said to have remarked during the past few days that the ASAMA MARU incident (removal of Germans of military age therefrom by a British warship) may result in delaying the opening of the Pearl River.

4 155  
Respectfully yours,

*M. S. Myers*  
M. S. Myers  
American Consul General.

Original and 4 copies to Department.  
One copy to Embassy, Peiping.  
One copy to Embassy, Chungking.

800

MSM/ccw

NO. 2909

AMERICAN CONSULATE GENERAL,

Shanghai, China,

February 14, 1940.

Division of  
FAR EASTERN AFFAIRS  
MAR 9 - 1940  
Department of State

793.94112  
note  
693.002 CONFIDENTIAL.

RECEIVED  
DEPARTMENT OF STATE  
7  
MAR 7 11 50 AM '40  
THE HONORABLE  
THE SECRETARY OF STATE,

SUBJECT: Japanese proposals regarding reopening  
of Custom Houses at Chinkiang and Nan-  
king in connection with restoration of  
Yangtze navigation.

WASHINGTON.

SIR:

M  
Ganss  
A-M/C  
RECORDING DESK  
FILE-C.S.

With reference to my despatch no. 2873 of January

1940, enclosing copy of a letter sent by the Inspector  
General of Customs under date of January 25, 1940, to the  
Minister of Finance at Chungking, in regard to the Japa-  
nese proposals for the reopening of the custom houses at  
Chinkiang and Nanking in connection with the restoration  
of Yangtze navigation, I have now the honor to enclose  
copy of a letter sent to me by the Inspector General of  
Customs under date of February 13, in which he has advised  
me informally of the purport of his communication to the  
Minister of Finance. It will be noted from my despatch  
no. 2873 that the copy of Sir Frederick Maze's letter  
to the Minister of Finance, sent as an enclosure to the  
despatch, was made by me from a copy shown me by the In-  
spector General's personal secretary. The Inspector  
General has now embodied the information in an informal  
official letter so that he may refer thereto in further  
correspondence

DEPARTMENT OF STATE  
MAR 11 1940  
A-M/C  
ASSISTANT SECRETARY  
OF STATE

793.94112/340

MAR 23 1940

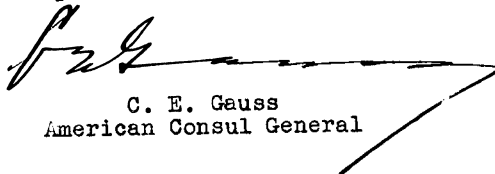
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correspondence if necessary.

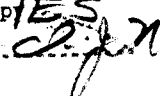
Respectfully yours,

  
C. E. Gauss  
American Consul General

✓  
Enclosure:

- 1/- Copy of letter from the  
Inspector General, dated  
February 13, 1940.

880/620  
CEG:LMF

4 Carbon Copies  
Received 

In quintuplicate to the Department.  
Copy to Peiping. (By hand - via Tokyo.)  
Copy to Chungking. (By pouch.)  
Copy to Tokyo. (By hand.)

Enclosure no. 1 to despatch no. 2909 of C. E. Gauss,  
American Consul General at Shanghai, China, dated February  
14, 1940, on the subject: "Japanese proposals re-  
garding reopening of Custom Houses at Chinkiang and Nan-  
king in connection with restoration of Yangtze naviga-  
tion."

CONFIDENTIAL

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
421 HART ROAD,

SHANGHAI, 13th February, 1940.

Dear Mr. Gauss,

With reference to my letter of 20th January last, con-  
cerning the Customs position in regard to the contemplated  
re-opening of the Yangtze River to foreign trade, I ought  
to advise you that on 25th January I wrote confidentially  
to Dr. Kung, informing him that I had been notified that  
the Japanese Government propose to re-open the River as  
far as Nanking in the near future; and that I had been de-  
sired, but declined, to furnish plans in connection with  
the re-opening of the Custom Houses in Nanking and Chink-  
iang. At the same time I pointed out to him that the  
Japanese Authorities might conceivably welcome a refusal  
on my part to resume Customs work at the above ports  
which might be regarded as relieving them of further re-  
sponsibility in the matter. In other words, they might  
in that case possibly seek either to blame the Customs for  
obstructing the fulfilment of the first step towards the  
resumption of normal trade conditions on the Yangtze, or  
might re-open the Custom Houses in question themselves  
with separate staffs nominally under the control of the  
"Reformed Government", and thus introduce procedure inim-  
ical to Chinese prestige; and the interested and friendly  
Powers, on their part, might resent our failure to coop-  
erate and thus facilitate a return to pre-war conditions  
in the Yangtze valley: in such circumstances the Powers,  
I explained, would experience difficulty in protesting  
against such contravention of the integrity of the Customs;  
and that, if this view is correct, it follows that the  
Customs position would be weakened in that the Japanese  
Authorities would have an opportunity to declare that they  
did not desire to disrupt the unity of the Service, but  
had been compelled to take independent action in view of  
the Inspector General's refusal to arrange for the re-  
sumption of fiscal activities in Nanking and Chinkiang.

I may add that Dr. Kung has not yet acknowledged my  
letter.

Yours sincerely,

(Signed) F. W. Maze.

C. E. Gauss, Esquire,  
S H A N G H A I.

Copied by: LMF  
Compared with: MB

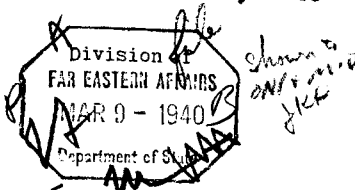
## TELEGRAM RECEIVED

JT  
This telegram must be CANTON VIA N.R.  
closely paraphrased be-  
fore being communicated FROM Undated  
to anyone. (br)

Rec'd 5:40 p.m.

March 8, 1940

Secretary of State,  
Washington.



22.

Reference my 13/315 February 6, 6 p.m. and previous  
concerning reopening of Pearl River.

CONFIDENTIAL. According to information communicated  
by the Japanese Consul General to the Commissioner of Cus-  
toms, the Japanese as the initial step in reopening the  
Pearl River, will permit in the near future the transporta-  
tion of cargo, under conditions and restrictions (which  
have not as yet been made known), by the steamships now  
carrying passengers between Canton and Hong Kong and be-  
tween Canton and Macao. An official announcement in re-  
gard to this traffic which will be under the control of the  
Chinese customs is expected to be issued shortly.

Information communicated orally by the Japanese  
Consulate General to the commissioner indicates that within  
a few months customs control will be extended to commercial  
cargo loaded and landed at Whampoa and that in the meantime  
the customs will be given control over commercial cargoes  
carried

793.94112/341

F/N



-2- #22, from Canton

carried by Japanese transports (presumably having reference to those which enter the port limits). It was also indicated that the Japanese will expect the assignment of 17 additional Japanese officers to the Canton customs staff before the taking of the final step.

The Japanese customs officers mentioned in my telegram under reference arrived here at the end of February.

Repeated to Chungking, Peiping, Hong Kong, Shanghai.

MYERS

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

DEPARTMENT OF STATE

~~REM~~ DIVISION OF FAR EASTERN AFFAIRS

March 11, 1940.

~~DATA~~  
~~DATA~~  
~~DATA~~  
~~DATA~~  
~~DATA~~  
Tokyo's 4466, February 5, 1940,  
entitled "British Representations to  
Reopen the Port of Swatow."

To British representations for the  
reopening of the port of Swatow the  
Japanese Foreign Office replied on Janu-  
ary 17, 1940 that conditions still require  
restrictions on passage to and from Swatow  
of persons, goods, and shipping; but that  
the Japanese Government intends to reopen  
the harbor when conditions improve.

793.94112/342

<sup>cc</sup>  
FE:Coville:MacD:SS

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



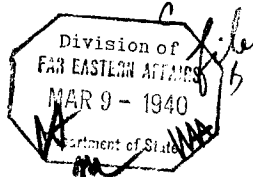
THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Tokyo, February 5, 1940

No. 4466.

SUBJECT: BRITISH REPRESENTATIONS TO REOPEN THE PORT OF  
SWATOW.



RECEIVED  
DEPARTMENT OF STATE

MAR 8 PM 1 56

793.9412  
793.156



793.94112/342

The Honorable

The Secretary of State,  
Washington.



MAR 18 1940

Sir:

I have the honor to refer to the Embassy's despatch  
No. 4344 <sup>1304</sup> dated December 18, 1939, transmitting a copy of  
a note verbale dated December 11, 1939, addressed by the  
British Embassy to the Japanese Ministry of Foreign Af-  
fairs, inviting the attention of the Japanese Government  
to the position in regard to the port of Swatow, and re-  
questing that steps be taken at an early date to reopen  
the

F/N

-2-

the port to British merchant shipping.

The British Embassy has now furnished us with a copy of the reply thereto, dated January 17, 1940, which states that the Japanese authorities consider that, for reasons of strategic necessity, restrictions must still be imposed upon the passage to and from Swatow of persons, goods, and shipping; that, in order to spare the Japanese forces the trouble of handling the trade directly, certain Japanese firms have been instructed to export, import, and distribute certain goods which are considered particularly necessary to the livelihood of the populace and for pacification in the Swatow district; that this function could not have been entrusted to third-power commercial companies because of the existence of extraterritorial rights which would have prevented strict supervision; that British ships are loading and unloading foodstuffs and mail under the terms of an agreement and that the fact that they are not handling merchandise can only be described as a situation similar to the case of Japanese vessels calling at Hong Kong.

In conclusion the reply states that the Japanese Government intends to reopen the harbor as soon as an improvement is to be seen in the conditions described above.

1/ A copy of a translation of this reply is enclosed.

Respectfully yours,



Joseph C. Grew.

Enclosure:

- 1/ Translation of note verbale dated January 17, 1940, from the Japanese Ministry of Foreign Affairs to the British Embassy at Tokyo.

350  
ESC:nn

Original and 4 copies to the Department.

Enclosure No. / to despatch  
No. 4466 dated February 5, 1940,  
from the Embassy at Tokyo.

(With the compliments of the British Embassy to the American  
Embassy.) Received January 30, 1940.

Translation of note from the Japanese Ministry of Foreign  
Affairs to the British Embassy.

Ministry of Foreign Affairs,  
Tokyo.

No. 10.

NOTE VERBALE

The Imperial Japanese Ministry of Foreign Affairs  
have the honour to acknowledge receipt of the British  
Embassy's note verbale No. 241 of the 11th December last  
regarding the closure of the port of Swatow and, after  
investigation of the actual conditions on the spot, have  
the honour to communicate to the Embassy the views of the  
Imperial Government which are as follows:

(Seal of the Gaimusho)

17th January, 1940.

-----  
NOTE:

1. The British Embassy hold the view that the military  
operations in progress in the neighbourhood of Swatow are  
now not such as to prevent the reopening of Swatow harbour,  
but the situation on the spot is that assurance of public  
safety at Swatow and at two or three points in the neigh-  
bourhood of Swatow within the area actually under occupation  
by the Japanese forces is not yet regarded as adequate;  
also the sweeping of the seas both in and outside Swatow  
Harbour has not yet been completed so that the free passage

of

-2-

of shipping to and from the harbour is dangerous. The army of occupation consequently consider, for reasons of strategic necessity, that restrictions must still be imposed upon the passage to and from Swatow of persons, goods and shipping.

2. With regard to the statement that Japan only is engaged in the export and import of merchandise, the commodities exported and imported by Japanese merchants are the goods which the Japanese forces consider particularly necessary to the livelihood of the populace and for pacification in the Swatow district, and they have instructed certain specific Japanese firms to export, import and distribute these goods on their behalf. This has been done in order to spare the Japanese forces the trouble of handling this trade directly themselves. Had this function been entrusted to commercial companies of third Powers it would not be possible to exercise the necessary inspection et cetera, owing to the existence of extraterritorial rights, and it is accordingly being performed by specified Japanese persons under strict supervision. It is not the case therefore that this import and export trade is only permitted to all and sundry Japanese or that it is forbidden to Chinese and nationals of third Powers on grounds of principal (sic).

3. Though, in accordance with the views stated above, the movement of commodities to and from Swatow harbour is for the most part taking place in Japanese ships, British vessels are, as the Embassy is aware, loading and unloading foodstuffs and mail under the terms of an agreement. That they are not loading and unloading merchandise can only be described as a situation similar to the case of Japanese vessels calling at Hongkong.

4. The

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-

4. The Imperial Government intend to reopen the harbour immediately as soon as an improvement is to be seen in the conditions described above but, for the present, they earnestly hope that the British Consul and the British community at Swatow will fully appreciate the situation in the light of the preceding paragraphs.

- - - - -

**TELEGRAM RECEIVED**

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

FROM Hong Kong via N. R.  
Dated March 14, 1940  
Rec'd 6:45 a. m., 16th

Secretary of State,  
Washington.

80, March 14, 4 p. m.



*Shaw to ONI, MID*  
*No action required*

793.94112

The Commissioner of Chinese Maritime Customs here  
has informed Consul Bruins of my staff that commercial  
traffic on Pearl River with connivance of the Japanese  
navy has lately much increased through additional clear-  
ances of Hong Kong lighters for Namtau where they meet  
either Japanese ships or Japanese escorted lighters from  
Whampoa. The Commissioner said that about a year ago  
he had protested to the Hong Kong Government that he  
considered it a treaty violation for the Hong Kong harbor  
master to permit vessels to clear from here for Chinese  
ports such as Namtau which are from a technical viewpoint  
in Japanese occupation rather than under Chinese juris-  
diction. This protest the Commissioner expects shortly  
to bring a ruling which will curtail such clearances from  
Hong Kong and (\*) this irregular trade much more difficult  
or at least give the British another bargaining point  
against the Japanese.. The Commissioner observed that while  
this

793.94112/343

F/A



hsm -2- No. 80, March 14, 4 p. m., from Hong Kong

this irregular trade is commercially quite an advantage to Hong Kong it is against the interests of the Chinese customs.

There is a similar short haul traffic by launches and lighters, mainly at night, between Hong Kong and Mirs Bay but as the Chinese Maritime Customs stations collect their dues on the exports and imports thus handled (please refer to my telegram of December 14 river) the local commissioner presumably has no objection to place before the Hong Kong Government.

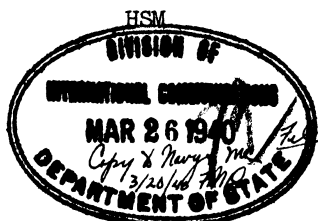
Repeated to Canton, Shanghai and Peiping for Tokyo.

SOUTHARD

KLP  
DDM

(\*) apparent omission

## TELEGRAM RECEIVED



GRAY

FROM Nanking via N. R.

Dated March 20, 1940

Rec'd 9:34 a. m.

Secretary of State,  
Washington.



18, March 20, 2 p. m.

Reopening of Yangtze River.

793.94112  
Yesterday morning our British colleagues and we paid a courtesy call on General Nishio, Commander in Chief of the Japanese Expeditionary Force in China. In reply to the British Consul's query as to when the reopening of the Yangtze River as far as Nanking might be expected, General Nishio said that preparations were continuing but would take time; he enumerated some of the difficulties connected with the reopening of the river and particularly mentioned the danger to navigation from floating Chinese mines and the present use of all harbor facilities at Nanking for military purposes.

Repeated to Peiping, Chungking and Shanghai. Air mail to Tokyo.

STANTON

WWC

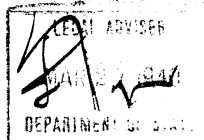
793.94112/344

F/N

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



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1940 MAR 20 AM 11 26

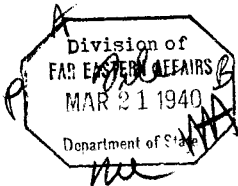
AMERICAN EMBASSY

Tokyo, February 28, 1940

No. 4545

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

SUBJECT: PEARL RIVER PILOTAGE REGULATIONS: EMBASSY'S  
REPRESENTATIONS TO THE FOREIGN OFFICE



793.941/12  
note  
893.825

X

1	2	3	4	5	6	7	8	9	10

793.94112/345

The Honorable  
The Secretary of State,  
Washington.



Sir:

I have the honor to refer to the Embassy's tele-  
gram no. 143, <sup>130</sup>February 27, 3 p.m., in which the Depart-  
ment was informed that representations had been made to  
the Foreign Office, in accordance with the Department's  
instruction contained in telegram no. 31, <sup>320</sup>February 14,

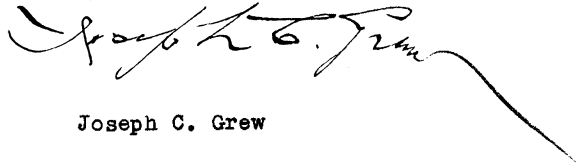
F/A

Mar 28 3 1940  
p.m.

-2-

6 p.m., to Peiping, concerning the regulations recently  
instituted by the Japanese Army and Navy for pilotage  
on the Pearl River. There is transmitted herewith a  
1/ copy of the Embassy's note no. 1485, dated February  
27, 1940.

Respectfully yours,



Joseph C. Grew

884  
EHD:wg ✓

Enclosure:  
1/ as stated.

Original and 3 copies to Department  
Copy to Embassy, Peiping  
Copy to Embassy, Chungking  
Copy to Consulate General, Canton

Enclosure no. 1 to despatch  
no. 4545 dated Feb. 28, 1940  
from the Embassy at Tokyo.

(The American Embassy to the Japanese Ministry of Foreign  
Affairs).

EMBASSY OF THE  
UNITED STATES OF AMERICA

No. 1485.

The American Ambassador presents his compliments  
to His Excellency the Minister for Foreign Affairs and  
has the honor to refer to certain "Temporary Regulations  
of the Pearl River Pilotage Service" which, according  
to a recent communication from the Japanese Consul General  
at Canton to his American colleague, have been put into  
effect as from February 1 by the Japanese Army and Navy.  
The regulations are not applicable to Japanese warships  
and military chartered vessels. They provide inter alia  
that the pilots on the non-official staffs of the Army  
and Navy are permitted to pilot vessels within the  
pilotage ground of the Pearl River (from which Whampoa  
is excluded); that infractions of the regulations shall  
be dealt with according to Japanese military regulations;  
and that the pilotage regulations are to be in force  
during the closure of the Pearl River. The regulations  
further specify pilotage fees to be charged which are  
about three times the fees formerly charged.

Mr. Grew is desired to make it clear to Mr. Arita  
that the regulations above-described constitute an im-  
pairment of American rights and that the American Govern-  
ment cannot regard the regulations as applicable in any  
way to American nationals and vessels. The introduction  
of compulsory pilotage does violence to previous practice  
and

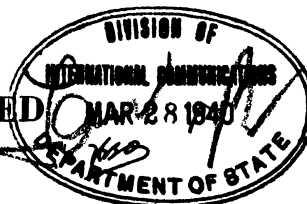
-2-

and to treaty provisions, specifically Article 35 of the Anglo-Chinese Treaty of Tientsin. Especially objectionable is the provision, so far as American nationals are concerned, that infractions of the pilotage regulations shall be dealt with according to Japanese military regulations, and Mr. Grew is directed to say that the American Government cannot recognize any claim of the Japanese authorities to a right to try under Japanese military or other law American citizens who may be charged with infraction of the pilotage regulations.

Tokyo, February 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

TELEGRAM RECEIVED



FROM

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

Hong Kong via N. R.  
Dated March 21, 1940  
Rec'd 7:40 a. m., 23rd

Secretary of State,  
Washington.



85, March 21, 5 p. m.

In conversation today with my Japanese colleague  
he expressed the definite opinion that at least partial  
reopening of the Pearl River to commercial traffic was  
a matter of probably not more than several days time.

He also confidentially said that there had been  
strong pressure from British sources to permit engineers  
of the Canton-Kowloon railway to survey damages to the  
railway between Hong Kong frontier and Canton with a  
view to planning repairs but that the Japanese military  
had positively refused to permit any foreigner to enter  
the Sheklung military zone.

STRICTLY CONFIDENTIAL. Favoring a request from the  
managing director of the Hong Kong Telephone Company my  
colleague also plans to prospect the views of the authori-  
ties at Canton as to negotiations for the restoration of  
telephonic communication between Canton and Hong Kong

either

793.94112

note  
893.75

793.94112./346

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. Hunt NARS, Date 12-18-75

hsm -2- No. 85, March 21, 5 p.m., from Hong Kong

either by repair of the underground cable from this frontier to Canton or by use of the undamaged cable from Hong Kong to the frontier and a radio telephone to be installed from the frontier to Canton. Prior to the Japanese occupation of Canton the telephone service between the two places was highly profitable to both companies. Reopening of the Pearl River is expected greatly to increase the pressure for its restoration.

Repeated to Canton, Chungking and Peiping for Tokyo.

SOUTHARD

CSB



TELEGRAM RECEIVED

KE  
IN

JR

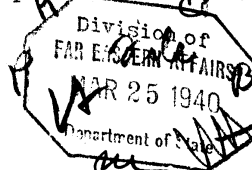
This telegram must be **FROM**  
closely paraphrased be-  
fore being communicated  
to anyone. (br)

Canton via N. R.

Dated March 23, 1940

Rec'd 2:15 p.m. *Shanghai*

Secretary of State,  
Washington.



30, March 23, 5 p.m.

Reference my 22, March 8, 3 p.m.

793.94112  
Today I learned from a member of the staff of the  
Japanese Consulate General that the reopening of the river  
Pearl may be expected shortly after the inauguration on  
March 30 of the new regime at Nanking. Instructions from  
Tokyo had just been received.

It is believed that at the outset commercial traffic  
of the river will be limited as reported in my telegram  
under reference.

Repeated to Chungking, Peiping, Hong Kong, Shanghai.

MYERS

CSB



APR 2 1940

FILED

793.94112/347

F/FG

CROSS-REFERENCE FILE

NOTE

**SUBJECT** Reopening of the Yangtze river.

Announcement by the Japanese army and navy authorities  
regarding --.

793.94112/348

For the original paper from which reference is taken

See #92  
(Despatch, telegram, instruction, letter, etc.)

Dated Jan. 6, 1940 From Hankow (Spiker)  
To

File No. 893.00 P.R. Hankow/150

N

793.94117  
▼ 2. Projected partial re-opening of the lower Yangtze.

The announcement by the Japanese army and navy authorities that they would, at an unspecified date and under undisclosed conditions, re-open the Yangtze River below Nanking to commercial navigation by vessels of third powers while welcomed as "a promise in the right direction" was received by Americans in Hankow with a reserve attributable to the vagueness of the Japanese undertaking, the inadequacy of the projected measure to relieve American difficulties at Hankow, and a profound mistrust of Japanese intentions. It was felt to be a belated and clumsy attempt to influence American public opinion on the eve of the expiration of the American-Japanese commercial treaty. If anything had been lacking to confirm this idea, the clamor of the Japanese press, which treated the announcement as if it were of something done not merely projected, for some reciprocal gesture from the United States would have supplied it.<sup>1</sup>

3. Travel

1 Telegram No. 231, Dec. 21, 1 p.m.

## CROSS-REFERENCE FILE

### NOTE

#### SUBJECT Reopening of Yangtze River.

No information available between the use of Japanese military notes and delayed reopening of --. It seems reasonable to assume that if the river were reopened at the present time Chinese national currency unless suppressed by the Japanese would reappear in trade at many places where military notes have become almost the sole legal tender.

793.94112/ 349

For the original paper from which reference is taken

See Tel. #87 2pm

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

Dated March 19, 1940

From | China (Leckhart)  
To |

File No. 893.515/1488

N

CROSS-REFERENCE FILE

NOTE

SUBJECT

Proposed reopening of the Pearl River: comments on-, which,  
according to Japanese officials, is to be a gradual process.  
Limits and necessary preliminary concessions to Japanese  
"demands" on Customs Administration.

For the original paper from which reference is taken

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

Dated Feb 14, 1940 From Canton (Myers)  
To

File No. 893.00 P.R. Canton/144

793.94112/350

350

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

C. Relations of a General International Character:

1. Reopening of the Pearl River:

793.94112 Japanese officials at Canton indicated that the Pearl river will be reopened to third power commercial traffic gradually, and that the first step, to be taken soon, will be the resumption of cargo steamer traffic between Canton and Hong Kong and Macao. The Customs will be obliged to employ additional Japanese and to apply the new tariff which is in effect at other occupied ports. It will not be allowed to function at Whampoa, which will continue to be used for military purposes.\*

793.94112

## CROSS-REFERENCE FILE

### NOTE

#### SUBJECT

Reopening of the Pearl River to commercial shipping, within  
a few months.

Statement, by Japanese Consul General to Commissioner of Customs, late in Dec., 1939, concerning probable -,

For the original paper from which reference is taken

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

Dated Jan 10, 1940 From Canton (Myers)  
To \_\_\_\_\_

File No. 893.00 P.R. Canton/143

793.94112/ 351

351

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

C. Relations of a General International Character:  
1. Possible Reopening of the Pearl River:

793.94112  
The Japanese Consul General at Canton late in December informed the Commissioner of Customs that the Pearl River will probably be opened to commercial shipping within a few months.\*



CROSS-REFERENCE FILE

NOTE

**SUBJECT** Partial reopening of the Yangtze River: Japanese announcement  
of intentions, involving -,  
Developments; reactions; present status.

793.94112/ 352

For the original paper from which reference is taken

See #2472  
(Despatch, telegram, instruction, letter, etc.)

Dated Jan 23, 1940 From China (Lockhart)  
To

File No. 893.00 P.R./165

B. Relations of a General International Character:

1. Japanese announcement of intention  
to partially reopen the Yangtze:

793.94112  
The Japanese military and naval authorities at Shanghai issued a joint statement December 18 to the effect that they intended to make preparations to reopen the Yangtze River below Hanking under certain restrictions "necessitated by military requirements".<sup>53</sup> The Japanese announcement was generally considered by observers to be a gesture intended to appease the American Government and designed to influence American public opinion with a view to facilitating the early conclusion of a new commercial treaty or at least a modus vivendi.

Japanese anxiety in regard to future relations with the United States and hope that the announcement in regard to the Yangtze would improve those relations were revealed in Japanese press comments and in the numerous inquiries made by Japanese officials and civilians in China of

American

51. Chiping's 617, December 12, 2 p.m.  
53. Lonai, Shanghai, December 18 and Shanghai's 1122, December 19, 6 p.m.

- 20 -

American newspaper correspondents and other Americans.

A Japanese controlled Chinese language newspaper in  
Beiping commented hopefully that "the bold step taken  
by the Japanese Government ... has removed the misunder-  
standing between Japan and the United States".<sup>54</sup> The Japa-  
nese press in Shanghai emphasized the greatness of the  
Japanese concession and called upon the United States to  
respond to this overture and conclude a new commercial  
treaty forthwith; otherwise, it was predicted that "a  
black and ominous cloud will cast its pall over the two  
countries".<sup>55</sup>

The Japanese announcement was not received with  
any great enthusiasm by Americans and other non-Japanese  
foreigners, as it was felt that the reopening of this  
short stretch of the river upon a restricted basis would  
not constitute any great improvement in the situation.  
The Shanghai Evening Post and Mercury (American) stated  
December 19 that if the announced reopening proved to be  
only "an empty gesture" it would have a very unfavorable  
effect on other nations, and added that "for Japan to  
have any influence on America in reopening the Open Door  
she must, in this instance, throw the whole of the Yangtze  
open, with no conditions or restrictions, and quickly".  
The British press adopted a less critical attitude toward  
the announcement, appearing to feel that a partial reopen-  
ing would be "a good start". A French newspaper in Shang-  
hai stated that in order to evaluate the gesture the re-  
strictions accompanying it must be known.<sup>56</sup> (Chinese press  
comment is reported on page 25.)

The

54. Asin in Asin, Beiping, December 21.

55. Shanghai's despatch to the Embassy No. 2110 of January 6,  
1940 - "Political Report for December" (copies  
direct to the Department).

56. Shanghai's 1126, December 20, 2 p.

- 21 -

The American Chamber of Commerce at Shanghai telegraphed the Secretary of State December 29, stating that, while the Japanese announcement was duly appreciated, the partial reopening of the Yangtze under military restrictions could not help American business unless extended above Hanking and unless accompanied by full restoration of equality in trade opportunities; the Chamber pointed out that the Japanese announcement did not mention the removal of restrictions on rail shipments from Shanghai to Hanking which were equally important with river shipments; in conclusion, the Chamber stated that it had noted the Japanese anxiety to secure concrete benefits from the United States Government in return for vague declarations, but would regard any concessions as premature until a satisfactory improvement in the Japanese attitude toward American interests in China had actually been demonstrated.

The American Consul General at Shanghai reported that it had been ascertained from local Japanese officials that the partial reopening might be expected early in March and that such questions as wharfage facilities, the reopening of custom houses and other matters would require some time to arrange.

HSM

TELEGRAM RECEIVED

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

Shanghai via N. R.

Dated March 30, 1940

Rec'd 2:31 a. m., 31st

Secretary of State,

Washington.

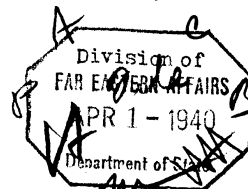
255, March 30, 11 a. m.

(GRAY) The Japanese military spokesman was quoted

793.9412  
in the Wang Ching-wei organ CHUNGHUA JIH PAO of March 27 as stating in press conference on March 25 that "the Japanese military authorities are shortly going to announce the opening of the Yangtze River; however the authority to permit third power vessel to ply the Yangtze River will be in the hands of the new Central Government." He remarked that the actual date of opening remained unfixed. (END GRAY)

Informal inquiry regarding the probable accuracy of the statement was made on (?) of a Japanese consular officer who had previously stated that the question of the reopening of the Yangtze was a bigger problem than that of the Pearl River; that the matter would remain in the hands of the Japanese military authorities even after the inauguration of the Wang Government; and that

final



793.9412/353

F A

hsm -2- No. 255, March 30, 11 a. m., from Shanghai

final decision would continue to rest in Tokyo. The consular official promised to check the statement but thus far has been able to state only that "no reply has yet been received" from the Japanese military. It seems possible that the Japanese military authorities are planning to fulfill the earlier promise to reopen the Yangtze; that the act will nevertheless be nullified by transfer to the Wang regime of the authority to grant or withhold from third power-shipping the right to ply the river (Wang is taking the post of Minister of Navy); and that thereby present restrictions on third power commerce in the lower Yangtze region will be continued for the present and at the same time Wang will be endowed with an important bargaining point.

Repeated to Peiping, Chungking, Nanking. Code text to Tokyo by air mail.

BUTRICK

RR

## CROSS-REFERENCE FILE

### NOTE

**SUBJECT** Japanese military notes in the Yangtze Valley:  
Problem of effect upon opening of the Yangtze  
to general trade, of -.

aa

793.94112 / 354

For the original paper from which reference is taken

See tel # 141, 1 p.m.  
(Despatch, telegram, instruction, letter, etc.)

Dated Mar. 21, 1940 From China (Chungking) (Johnson)  
To

File No. 893.515/1489

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

April 10, 1940

~~RB~~  
~~GA~~  
~~WHA~~  
~~RCM~~

Canton's 56, March 1 to Paiping  
encloses, for the record, copies  
of documents in connection with  
new pilotage regulations for the  
Pearl River. No action necessary.

*JKP*  
FE:JKP



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

THE FOREIGN SERVICE  
RECEIVED OF THE  
DEPARTMENT OF THE UNITED STATES OF AMERICA

1940 APR 8 PM 2 26

AMERICAN CONSULATE GENERAL

COMMUNICATIONS  
AND RECORDS  
Canton, China, March 1, 1940.

SUBJECT: Temporary Pilotage Regulations for the  
Pearl River.

For Distribution Check		Y	No
Copies	For		
	<i>M</i>		
	In U.S.A.	<input checked="" type="checkbox"/>	

THE HONORABLE *Myers* *ONI*  
THE SECRETARY OF STATE,

WASHINGTON.

COPIES SENT TO  
O.N.I. AND *REK*

SIR:

I have the honor to enclose for the Department's  
1/- information copies of my despatch no. 56 dated March 1,  
1940 to the Embassy, Peiping, on the above subject.

Respectfully yours,



*M. S. Myers*  
M. S. Myers  
American Consul General

Enclosure:

1/- Copy, in quadruplicate, of  
despatch no. 56 to Embassy  
Peiping, dated March 1, 1940.

In quadruplicate to the Department

882  
MSM/dd

Rating	SHIPPING REPORT
<i>SAT</i>	Treasury (Coast Guard)
<i>JH</i>	Maritime Commission
	Navy
	Maritime Labor Board
	Commerce

APR 13 1940

COMMERCIAL AFFAIRS  
Department of State

APR 17 1940

DIVISION OF

793.94112/355

F/FG

No. 56

Canton, China, March 1, 1940.

SUBJECT: Temporary Pilotage Regulations for  
the Pearl River.

The Honorable

Nelson Trusler Johnson,  
American Ambassador,  
Peiping.

Sir:

I have the honor to refer to my telegram of  
February 7, 1940 <sup>793.94112/318</sup> to the Embassy at Peiping (which was  
repeated to the Department and the Embassy at Chungking)  
in regard to Temporary Regulations for the Pearl River  
1/- Pilotage Service and to enclose a copy of a letter dated  
January 30, 1940 from the Japanese Consulate General  
transmitting a copy of the regulations above mentioned.  
It will be noted from the letter that the regulations  
were effective as from February 1, 1940 and that unless  
a service pilot were used the regulations would not be  
applicable to foreign warships.

It will be recalled, as stated in my telegram under  
reference, that the regulations provide among other  
things for compulsory pilotage (contrary to previous  
practice) by pilots on the non-official staff of the  
Japanese Army and Navy, for increased pilotage fees  
amounting to about three times normal fees, and for  
punishment of infractions of the regulations according

to

- 2 -

to Japanese military regulations. It is also provided that these regulations are to be in force during the closure of the river, which presumably means until the river is reopened unconditionally, after which the pilotage service will be returned to the control of the "Chinese authorities concerned", viz., the Chinese Customs. In this connection, it may be pointed out that the General Pilotage Regulations for the port of Canton which were in effect prior to the Japanese occupation of this area were drawn up in consultation with, and recognized as binding by, the representatives of the several treaty powers.

As instructed in the Embassy's telegrams of February 12 and 16, this office lodged under date February 17 a written protest with the Japanese Consulate 2/- General against the regulations in question. A copy of this letter is enclosed.

It may be added that since February 1st the British and Portuguese river steamers carrying passengers between Canton and Hong Kong and Canton and Macao and the Japanese steamers operating similar services between these ports have been carrying Japanese pilots between Canton and the southern end of the pilotage ground which is just below Bocca Tigris Forts.

Respectfully yours,

M. S. Myers  
American Consul General

Enclosures:

- 3 -

Enclosures:

- 1/- Copy of letter dated January 30, 1940  
from Japanese Consulate General and  
enclosure;
- 2/- Copy of letter dated February 17, 1940  
to Japanese Consulate General.

Original to Embassy, Peiping  
In quadruplicate to Department  
Copy to Embassy, Chungking  
Copy to Embassy, Tokyo

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MSM/dd

A true copy of  
the signed orig-  
inal

C O P Y

JAPANESE CONSULATE GENERAL,

CANTON.

January 30th, 1940.

Sir and dear Colleague,

Enclosing herewith a copy of the English translation of the Temporary Regulation of the Pearl River Pilotage Service which has been unofficially enforced since the Japanese military occupation of Canton and its area, I have the honour to request you to be good enough to give notice to the Navy and Firms concerned to the effect that the said Regulation shall be officially in force as from February 1st, 1940, and that the Pilotage fee will be charged in accordance with the Tariff contained in Article 11 of the Regulation.

I beg further to inform you that unless foreign warship engage a pilot as prescribed in this Regulation, Japanese warship shall guide her as usual.

I have the honour to be,

Sir and dear Colleague,

Your obedient servant,

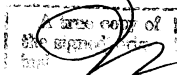
(sd.) T. Matsudaira  
Consul.

In the absence of the Consul-General.

M. A. Myers, Esquire,

American Consul-General,

CANTON.



C O P Y

THE TEMPORARY REGULATION OF THE PEARL RIVER  
PILOTAGE SERVICE.

- ARTICLE 1. The Pilotage service on the Pearl River is placed under the administration of the Japanese Army and Navy and enforced in accordance with the regulations contained herein.
- ARTICLE 2. The Regulations are inapplicable to Japanese warship and Military chartered vessel. Pilots on non-official staff of the Army or the Navy serve for the time being as Pilots.
- ARTICLE 3. Any person without the above qualification is not permitted to pilot a vessel within the limits of the Pilotage Ground of the Pearl River.
- ARTICLE 4. Should the Captain or the Commanding Officer of a vessel wish to engage Pilot in day-time he has to exhibit the signal (G) in accordance with the International Signal Code and in night-time to emit blue flame every 15 minutes or to exhibit red and white lamps in vertical sequence.
- ARTICLE 5. Upon seeing the signal requesting Pilot, Pilot has to endeavour promptly to meet the request under instruction of the Army and the Navy.
- ARTICLE 6. Upon boarding a vessel, Pilot is required to inform the Captain or the Commanding Officer of the vessel of his name and his being a Pilot.
- ARTICLE 7. Upon receiving a Pilot aboard the vessel, the Captain or Commanding Officer is required to remove the signal for Pilot and to inform him of the draught of the vessel and kind and quantity of cargo on board, and, if the vessel is non-Japanese, the Captain or Commanding Officer is required to inform him of the name of the vessel, and her owner, the port of registration and the carrying capacity of the vessel, etc., in addition to the informations required above.
- ARTICLE 8. When the Pilot has guided the vessel and reached the destination, the Captain or the Commanding Officer is required to hand over to the Pilot the Certificate of Form No. 1 attached to this regulation duly filled in, signed and chopped by him.
- ARTICLE 9. The limits of the Pilotage Ground of the Pearl River are defined as from a line drawn across the River at Chuen Pi Point up to the berth in the Port of Canton, excluding Whampoa. The Regulation does not debar any vessel with a tonnage of less than 500 gross tonnage or less than 8 feet draught from navigating without the Pilot on the above-mentioned Pilotage Ground. The way of transaction of the Pilotage Service on the waterway below the line drawn across the River at Chuen Pi Point will be provided in other regulations.

ARTICLE 10.

- 2 -

ARTICLE 10. Pilotage fee is charged to the Captain or the Commanding Officer of the vessel piloted in accordance with the Tariff, prescribed in the following Article, except in case of Japanese warship or Military chartered vessel.

ARTICLE 11. The Pilotage Tariff is as follows:

(A). The sum of pilotage calculated according to the following tariffs is charged:-

1. HK\$0.05 per 1 gross tonnage or less.

2. HK\$6.00 per 1 foot (0.3 m.) draught or less.

(B). Should the vessel of less than 500 gross tonnage or less than 8 feet draught wish to hire a pilot, the pilotage fee is charged the same as for a vessel of 500 gross tonnage or of 8 feet draught.

(C). Definition of the word "draught" is the deepest draught of the vessel's bow or stern shown during the pilot's service aboard the vessel.

(D). One displacement tonnage is considered in this regulation as equal to 60/100th of one gross tonnage.

(E). In case of vessel or vessels towed by towboat, 80/100th of the pilotage fee for the biggest vessel is charged for every towed vessel in addition to the fee for the towboat.

(F). The pilotage fee for shifting a vessel's berth is charged at the rate of HK\$30 per service.

(G). Pilotage fee is payable in Hongkong currency, but outgoing vessel must pay in Japanese Military Yen at the same rate.

ARTICLE 12. Should a pilot be retained 12 hours or more than 12 hours aboard a vessel drifting or staying through no fault of his own, he shall be entitled to a compensation of HK\$30.00 from the vessel on which he is acting as pilot. (at the rate of HK\$30.00 per each 12 hour-period).

ARTICLE 13. In case a pilot is on duty on board a pilot boat, he shall fly the pilot flag of the International Signal Code in the day-time, and exhibit, in the night-time, the lamp and signal indicating the pilot boat in accordance with the regulations prescribed in the Treaties for the prevention of Maritime Collision.

ARTICLE 14. Any person not a pilot is not permitted to fly the pilot flag or any such analogous flag, to exhibit the lamp and signal prescribed in the Treaties for the prevention of Maritime Collision, or to use vessel resembling a pilot boat.

ARTICLE 15. In order to render efficient pilotage service to vessels other than Japanese warship or Military chartered vessel, pilots shall form the Association of the Pearl River Pilots. The Association shall transact the pilotage business in conformity with its regulation under the supervision of the Japanese Army and Navy.

ARTICLE 16. The President of the Association will be appointed by the Japanese Army and Navy.

ARTICLE 17.

- 3 -

ARTICLE 17. A Pilot in charge of any vessel meeting an accident shall report the occurrence to the competent Authorities without delay, stating all its details.

ARTICLE 18. A Pilot shall give immediate report to the competent Authorities of any of the following knowledge he may possess regarding: -

1. Any irregularity in the displacement of lights, Buoys or Beacons;
2. Any obstruction or irregularity in the waterway;
3. Any matter whatsoever affecting the safety of navigation.

ARTICLE 19. Penalty against any violation of this Regulation shall be enforced in conformity with the Japanese Military Regulations.

THE SUPPLEMENTARY RULE

1. This Regulation was enacted as a temporary measure to regulate the Pilotage service on the Pilotage Ground of the Pearl River during the time of the River's closure, and shall be modified and supplemented in order to transfer the Pilotage service and the Association of the Authorities concerned in future.
2. This Regulation was enacted on the 27th day of July in the year 1939 and shall be in force as from the 1st day of February in the year 1940.

FORM NO. I.



- 4 -

FORM NO. I.

C E R T I F I C A T E  
-----

Name of Pilot:-

1. Nationality:-
2. Name of owner and agent of the vessel:-
3. Vessel's classification:-      Name of vessel:-
4. Gross tonnage:-
5. Kind and quantity of cargoes:-
6. Length of vessel:-
7. Draught.      at bow:-      at stern:-
8. Section of Pilotage Ground. from:      to:
9. Time of boarding the vessel:-
10. Time of disembarking from vessel:-
11. Pilotage fee:-

I, the undersigned, do hereby certify that the  
above statements are true and correct.

Date:-

Signed:-.....

(Captain)

Copied by ccw

C O P Y

AMERICAN CONSULATE GENERAL,  
Canton, China,

February 17, 1940.

Sir and dear Colleague:

I have the honor to acknowledge the receipt of your letter of January 30, 1940, forwarding an English translation of the temporary regulations of the Pearl River Pilotage Service. It is noted that these regulations do not apply to foreign warships which, as stated in your letter, will be guided by Japanese warships as heretofore.

This Consulate General has reported the issuance of these pilotage regulations to the American Embassy at Peiping. Under its instructions this office lodges a protest against the regulations in question as constituting an impairment of American rights and desires to inform you that the American Government cannot recognize any claim of Japanese agencies to a right to exercise jurisdiction over American citizens in China.

I have the honor to be,

Sir and dear Colleague,

Your obedient servant,

(sgd) M. S. Myers

M. S. Myers  
American Consul General

Nagao Kita, Esquire,  
Consul General for Japan,  
Canton, China.

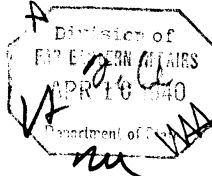
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D), or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 12-18-75

NO. 2968

AMERICAN CONSULATE GENERAL,

Shanghai, March 12, 1940.

Confidential



SUBJECT: Proposal that Additional Japanese Nationals be Recruited for Chinese Maritime Customs.

RECEIVED  
DEPARTMENT OF STATE  
10  
1940 APR 8  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS

HONORABLE  
THE SECRETARY OF STATE,

WASHINGTON.

For Distribution Check		Yes	No
Circle	M		✓
For	Club	In U.S.A.	✓

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COMMERCIAL AFFAIRS  
Department of State

DIVISION OF  
APR 15 1940  
CP.

I have the honor to refer to this Consulate General's despatch no. 2797 of January 3, 1940, regarding the proposed re-opening of the Yangtze River to foreign trade, and to enclose for the information of the Department a copy of a confidential letter received under date February 28, 1940, from the Inspector General of Customs, Sir Frederick Maze, forwarding a copy of a communication from the Japanese Counselor of Embassy pressing for the engagement of additional recruits of Japanese nationality for the Customs service, to replace seven Japanese employees who have been transferred to Canton from Tientsin and to provide a Japanese Harbor Master for the Canton Customs. The Counselor's letter was supplemented by subsequent representations by a Japanese Secretary of Embassy regarding the appointment of additional Japanese

APR 16 1940

to

F/N

-2-

to the Custom House in Canton, in the course of which representations the Secretary of Embassy "proceeded to state that there was an understanding on record that when the (Yangtze) River ports and Canton were reopened additional Japanese would be recruited for Customs work at the ports concerned." Sir Frederick remarked in this general connection that, should he find himself compelled to accede to the demand for further recruitment of Japanese employees, Japanese representation in both the Indoor and Outdoor branches of the Customs Service would become predominant.

2/3/

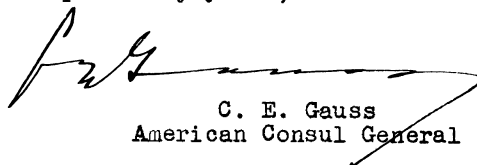
As of possible interest in connection with the broad question of the balance of foreign nationalities in the personnel of the Chinese Maritime Customs, there are enclosed two memoranda of conversations under the respective dates February 19 and February 21, 1940. It will be observed that the pertinent discussions (with the Commissioner of Customs and the Inspector General) were concerned with the suggested desirability of the recruitment of additional American and other non-Japanese personnel for the Indoor staff of the Customs, in order to balance the recent increased recruitment of Japanese nationals and thus to assure that the Customs administration should continue to perform its functions effectively and impartially as heretofore. Sir Frederick informed me that he had brought the matter to the attention of the National Government, that the National Government has not as yet reached a decision to authorize the proposed recruitment of

additional

-3-

additional non-Japanese personnel, and that a delay of six months, permitting one to see what the future holds for the Customs, would not be harmful for the matter.

Respectfully yours,

  
C. E. Gauss  
American Consul General

✓  
Enclosures:

- 1/- Copy of confidential letter from Inspector General of Customs dated February 28, 1940.
- 2/- Copy of memorandum of conversation between Consul General Gauss and Sir Frederick Maze, dated February 21, 1940.
- 3/- Copy of memorandum of conversation of Consul Smith with Commissioner of Customs and Audit Secretary.

620/880  
EC MB


In Quintuplicate.

Copy to Embassy, Peiping (by hand via Tokyo).

Copy to Embassy, Chungking.

Copy to Embassy, Tokyo (by hand).

Copy to Consulate General, Canton.

Carbon Copies  
Received 

*3 copies destroyed*

Enclosure no. 1 to despatch no. 2968 of C. E. Gauss,  
American Consul General at Shanghai, dated March 12,  
1940, on the subject: "Proposal that Additional  
Japanese Nationals be Recruited for Chinese Maritime  
Customs."

Copy

Shanghai Office of the  
Inspectorate General of Customs,  
421 Hart Road.

Confidential

Shanghai, 28th February, 1940.

Dear Mr. Gauss,

With reference to my letter of the 27th December  
last, concerning the proposed re-opening of the Yangtze  
River to foreign trade, I attach hereto for your in-  
formation a copy of a communication from Mr. Miura,  
Counsellor of the Japanese Embassy, pressing for the  
engagement of additional recruits of Japanese nation-  
ality to replace those employees of Japanese nationality  
who have been already transferred to Canton from the  
occupied area and provide for the subsequent replacement  
of others who may be transferred to Yangtze ports  
later on.

I also attach for record a brief account of a  
recent interview on the same subject with a Secretary of  
the Japanese Embassy.

In connection with what precedes it may be appro-  
priate for me to remark incidentally that should I  
find myself compelled to accede to the demand for fur-  
ther recruitment of Japanese employees, Japanese  
representation in both the In-door and Out-door branches  
of the Customs Service will become predominant, as  
may be seen from the attached table which gives the  
present position.

Yours sincerely,

(Signed) F. W. Maze

C. E. Gauss, Esquire,  
American Consul General,  
SHANGHAI.

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

COPY OF LETTER FROM JAPANESE EMBASSY, SHANGHAI, TO THE  
INSPECTOR GENERAL, DATED 24th FEBRUARY, 1940.

Dear Sir Frederick,

You may recall the informal communication sent to you previously by this Embassy to the effect that, in the event of reopening the Pearl River, the Japanese officers totalling 32 in number will be required in the Canton Customs. I understand that the same was then brought to your attention by the Commissioner at Canton.

I have been informed that in accordance with the counsel advanced by the Canton Commissioner you have already instructed the transfer from Tientsin to Canton of seven Japanese officers as is deemed necessary for the Canton Customs during the days preceding and immediately following the reopening of the Pearl River and Canton Harbour to the general shipping.

It is also my understanding that the Tientsin Commissioner has conveyed to you his opinion that the same number of Japanese officers should be newly recruited in order to maintain the Japanese staff at Tientsin, which was considered to have been too meagre to cope with the task at the northern port even prior to the transfer of seven Japanese officials to Canton.

The Tientsin Commissioner's opinion relative to the proposed assignments of Japanese staff members as referred to above is being favoured with emphatic support from the Japanese authorities at Tientsin, and it is incumbent upon me to request you to pay due consideration to the representation set forth by the Tientsin Commissioner.

Your attention is also invited to the particular importance which is being attached by the Japanese Naval authorities to the appointment of a Japanese as the Harbour Master in the Canton Customs in regard to the reopening of the Harbour of Canton. In this connection, I would like to bring to your notice that I am requested by the Naval authorities to use my good offices in favour of the appointment and that the Japanese Navy recommends Captain Shizuzo Susukida, formerly of the Imperial Japanese Navy as the candidate.

Fully concurring with the views of the Japanese Navy, and actuated by my earnest desire to see the said Customs maintain amicable relations with the Japanese Naval authorities in the local areas concerned, I beg to request that you be good enough to approve the appointment of the Japanese Harbour Master together with the employment of the new Japanese officers for the Tientsin Customs.

Sincerely yours,  
(Signed) Y. Miura,  
Counsellor.

Copied by MB  
Compared with JM

INTERVIEW BETWEEN THE INSPECTOR GENERAL AND  
MR. ISHIGURO, SECRETARY OF THE JAPANESE EMBASSY,

ON 26th FEBRUARY, 1940.

Mr. Ishiguro called upon the Inspector General this afternoon in connection with the appointment of additional Japanese to the Canton Custom House. He proceeded to state that there was an understanding on record that when the River ports and Canton were re-opened additional Japanese would be recruited for Customs work at the ports concerned. He was informed that Japanese employees would, if necessary, be transferred to such ports as were re-opened; that the immediate question is the staffing of Canton with some extra Japanese; and that seven Japanese employees from occupied ports have already been sent there, leaving the question of their replacement to be examined later, if it could be demonstrated that their transfer prejudiced local Customs interests.

Mr. Ishiguro was reminded, with regard to the "understanding" to which he referred, that the Inspector General cannot accept as binding reports of interviews which have not been submitted to him in writing and passed as accurate. And, as an example, a recent interview with Mr. Miura was cited, when the latter verbally stated that Japanese Tidewaiters transferred from occupied ports to re-opened ports could be replaced by Chinese Tidewaiters, but subsequently declined to confirm such an understanding because it was not a written agreement.

Mr. Ishiguro referred to the Tientsin Commissioner's recent requests for the recruitment of additional Japanese for the Tientsin Custom House, to replace the seven employees transferred to Canton and to provide for future local requirements, which he (Mr. Ishiguro) said supported the Japanese view that more Japanese are required. The Inspector General told him that he did not concur with this opinion.

N.B. As reported previously, it has been pointed out to the Japanese Authorities that the question of re-opening the Yangtze to foreign trade is a political issue; and, this being understood, the Inspector General cannot make definite arrangements regarding the resumption of Customs activities in Nanking and Chinkiang in the absence of instructions from, or information regarding the views of, the Chinese Government. The case of the Canton Customs, however, is different seeing that the Custom House there has not been closed.

Shanghai, 26th February, 1940.

Copied by MB  
Compared with JM



COMPARATIVE TABLE OF FOREIGN STAFF (IN-DOOR AND OUT-DOOR)

ON 22nd JANUARY 1940.

Nationality	Indoor		Outdoor		Total	
	No. of Staff		No. of Staff		No. of Staff	
British	69	43.13%	135	23.12%	204	27.42%
Japanese	54*	33.75%	361*	61.82%	415*	55.78%
American	12	7.50%	13	2.23%	25	3.36%
French	5	3.12%	1	0.17%	6	0.81%
Others	20	12.50%	74	12.66%	94	12.63%
TOTAL	160	100.00%	584	100.00%	744	100.00%

\*Including Officers engaged on contract.

Copied by MB

Compared with JM

Enclosure no. 2 to despatch no. 1968 of C. E. Gauss,  
American Consul General at Shanghai, dated March 12,  
1940, on the subject: "Proposal that Additional  
Japanese Nationals be Recruited for Chinese Maritime  
Customs."

Copy

Memorandum

February 21, 1940.

Memorandum for the Files:

I saw Sir Frederick Maze at a dinner party last evening and he brought up this matter, saying that Talbot had mentioned it to him. He pointed out that as I was aware he had brought the matter to the attention of the Chinese Government, in view of the number of Japanese that it had been necessary to introduce into the Service, suggesting that the recruitment of foreign staff (non-Japanese) should be resumed; but there has been as yet no decision of the Chinese Government so to authorize.

It is Sir Frederick's thought that the recruitment would have to be of more senior men than those who years ago were brought in. He has not worked out the idea in his mind, but roughly it contemplates that the Customs should obtain men who have served for say 5 years or more in foreign offices or finance ministries, bring them in as senior assistants (immediately below the grade of Deputy Commissioner) give them intensive training at Shanghai and at some of the smaller ports; and thus in about 5 years they could become Deputy Commissioners.

But he recalled that some years ago he had to yield to the Chinese urge that Chinese should have an opportunity to advance to senior posts in the Customs and foreign recruitment had then been stopped. He cannot now put himself in the position of appearing to take away with one hand what he has given with the other, and the approach to the Chinese Government must therefore be made with some care. When he has worked out his views he intends to make them known to the principally interested Ambassadors (and I gathered by inference that he hopes to get their support and as a consequence have the Chinese Government themselves tell him to go ahead). However, the matter is not entirely ripe at the moment, and it remains to be seen what the future holds for the Customs; a six months delay in this matter will not be harmful.

Beyond expressing interest in Sir Frederick's views and an acknowledgment that the next few months may see some changes or attempted changes in the direction of the Customs administration, I avoided any definite expression of opinion on the subject.

C.E.G.

Copied by MB  
Compared with JM

Enclosure no. 3 to despatch no. 2968 of C. E. Gauss,  
American Consul General at Shanghai, dated March 12,  
1940, on the subject: "Proposal that Additional  
Japanese Nationals be Recruited for Chinese Maritime  
Customs."

Copy

Memorandum

February 19, 1940.

Confidential

Subject: Recruitment of Additional Foreign  
Personnel for the Indoor Staff of  
the Chinese Maritime Customs.

During my call at the Inspectorate General on February 15, 1940, Mr. Talbot remarked that he wished to talk with me about the urgent need for the recruitment of additional American and other non-Japanese foreign personnel for the indoor staff of the Customs. He invited me to luncheon today with Mr. Lawford and expressed the opinion that such recruitment was now imperative if the Customs administration was to continue to perform its functions effectively and impartially as in the past. He pointed out that despite the adoption by the Chinese Government in 1928 of a policy calling for no further recruitment of foreign indoor staff, a very large number of Japanese had been appointed to the indoor staff since the beginning of hostilities and that unless there was early recruitment of non-Japanese foreigners the Maritime Customs appeared in a fair way to become a Sino-Japanese rather than a Sino-foreign or a purely Chinese administration. He said that he believed that the Chinese Government itself would, if urged to consider the problem, decide to resume the appointment of additional non-Japanese foreigners for at least a temporary period in order to regain a better balance between Japanese and non-Japanese foreign staff. Such appointments might be aimed at putting, so far as possible, the new recruits on the same basis as the recent Japanese recruits both as to contract terms and authority. He said that he thought the principal obstacle to such appointments was the Inspector General's fear that, were new men appointed, they would not be permitted to operate in the Japanese controlled parts of China. He believed that if the Inspector General could obtain assurances of the usual diplomatic support from our government and the British and French Governments for the right of such new appointees of their respective nationalities to function in the occupied as well as the unoccupied parts, the Inspector General would be inclined to press the matter of authorization for such appointments with the Central Government.

Mr.

-2-

Mr. Lawford said that he agreed one hundred percent with Mr. Talbot's estimate of the situation and suggested that if suitable experience candidates for appointment to relatively senior positions could not be found elsewhere it might be possible to have them "seconded" from our own customs service for a few years experience out here which would later be of value to them in our own customs service if they did not later accept permanent contracts and stay on.

They both said that the vital point in the matter was what the American attitude would be toward the right of the Chinese Government to appoint Americans to indoor administrative posts in the Customs in the occupied as well as the unoccupied regions at this time.

I said that while, of course, I could not tell them what the attitude of our Government would be it might be helpful to them to know what your personal reaction had been when I reported to you that Mr. Talbot had asked me to discuss the matter. I said that you had remarked that if the Chinese Government decided to recruit additional Americans for the indoor staff at the present time you saw no reason that they could not do so, and that with Mr. Neprud in America at the present time it might be relatively easy for them to obtain the type of men they desired. You had also remarked that many of the recent Japanese appointments had been to relatively senior grades and responsible positions so that the Chinese Government might desire to obtain Americans with better experience and more specialized training than had been customary in most of the pre-1928 appointments when it was largely youngsters just out of college who were recruited. You had concluded your remarks with the statement that Mr. Neprud should be able to give a sufficiently accurate picture of the working conditions and prospects they would expect to have, to prevent any misunderstandings on that score. I said that you had said emphatically that you did not believe our Government could be expected to select or support the applications of individual applicants.

I then remarked that when Roger Wolcott's (English secretary of the Chinese Government Salt Administration) son and another American lad had applied for appointments last year you had passed them on to the Maritime Customs Administration for attention without comment. I asked what had been the Inspector General's reaction at that time. They said that had Mr. Wolcott gone first to Mr. Loy Chang there might have been some prospect of success but that until the Inspector General received an indication that the Central Government wished to employ such an applicant his hands were tied in individual cases.

I then said that it seemed to me that the situation came down to this:

"The

-3-

"The Inspector General apparently did not intend to urge that new appointments be made unless he were assured of support in stationing a share of the new appointees in posts in the occupied areas and that unless such appointments were actually made and an attempt was made to interfere with their assignment as desired by the Inspectorate General, I did not personally see how our Government could be expected to take any initiative whatsoever in the matter."

They then asked whether I thought that, if the Inspector General obtained the approval of the Chinese Government for the appointment of additional American and other non-Japanese foreign staff and called on you to ask for assurance as to what the American attitude would be if there was Japanese interference with the performance by these new recruits of duties assigned to them in the occupied areas, you would be inclined to try to obtain a favorable reaction from Washington. I said that so far as I knew you had done all you could from the very beginning of the Sino-Japanese hostilities to support the right of the Customs administration against interference by the Japanese in its internal administrative functions and that it seemed to me that if new indoor staff members were recruited by the Maritime Customs it would be difficult to regard their assignments to particular posts as anything other than an internal administrative matter.

Mr. Talbot said he would talk the matter over with the Inspector General and possibly, with the permission of the latter, with Mr. Loy Chang.

As I left them I reiterated my previous statement that this was a matter in which I believed neither you nor I nor any other American Government official should take any initiative, it being a matter of internal administration and up to the Customs people themselves.

H.H.S.

Copied by MB  
Compared with JM

**TELEGRAM RECEIVED**

MA **TELEGRAM RECEIVED** via N.R.

This telegram must be  
closely paraphrased before Dated April 12, 1940  
being communicated to  
anyone. (Br)

FROM Rec'd 6:15 a.m., 13th

Secretary of State

Washington

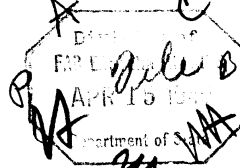
34, April 12, 6 p.m.

Reference my 22, March 8, 6 p.m. and 30, March 22, 5pm.

The Japanese Consul General called at my office (as well  
as at other Consulates) and handed me a copy of statement  
(which has also been given to the press) to the effect  
that the Japanese armed forces would from April 20  
permit general trade to and from Canton Harbor subject only  
to measures for maintaining peace and order and to necessary  
military restrictions. He also handed me copies of  
memorandum given to the British and Portuguese consuls  
concerning the operation of vessels of their respective  
nationalities between Canton and Hong Kong and  
Canton and Macao.

The memorandum provides that the vessels British,  
Portuguese and Japanese now carrying passengers between  
the above mentioned ports will be permitted beginning  
April 20 to carry import and export cargo without  
special permission except for prohibited or restricted  
goods a list of which was not furnished. It is expected,  
however, that such a list will be issued before the

above mentioned F/N



793.94112/357

MA -2- tel # 34, April 12, 6 p.m. from Canton

above mentioned date.

CONFIDENTIAL. This is the initial step in the Japanese plan for the reopening of the Pearl River as outlined in my telegram 22 under reference. In response to my question regarding the institution of customs control over commercial cargoes carried by Japanese Government chartered vessels my colleague stated that that approach is being considered and that he hoped it would be arranged in the near future. With regard to a possible occasional visit to Canton of American vessel such as an oil tanker he stated that favorable consideration to an application for ~~entry~~ <sup>entry</sup> would be given.

The Department will be kept informed of developments.

Repeated to Peiping, Chungking, Shanghai and Hong Kong.

MYERS

DDM

CORRECTED COPY

110

RE

# TELEGRAM RECEIVED

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

Canton via N.R.

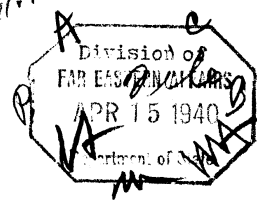
Dated April 13, 1940

Rec'd 10:05 a.m., 15th



Secretary of State  
Washington

*shown to [unclear]*



35, April 13, 6 p.m.

Reference my 34, April 12, 6 p.m.

CONFIDENTIAL. As an interesting sidelight on the proposed opening as from April 20 of the port of Canton and the Pearl River to limited commercial traffic by existing shipping services, the Commissioner of Customs has informed me in strict confidence that the Japanese authorities have demanded that he appoint locally six additional Japanese to be nominated by the naval authorities to perform preventive duties on board foreign ships. The Japanese explained that owing to existing conditions they must take precautionary measures against smuggling of and dumping overboard arms, seditious literature, et cetera and the entry of undesirable individuals into Canton. In view of the Japanese demands coupled with threats of serious consequences and with a view to avoiding the raising of more important issues involving the Customs, the Commissioner has reported the matter to the Inspector General and unless

instructed

1-4 793.94112/358

F/N



///

-2-#35, April 13, 6 p.m. from Canton via N.R.

instructed to the contrary by him will engage temporarily and provisionally six Japanese "watchers". The Japanese authorities have been advised accordingly. The "watchers", who will wear Customs uniform and be under the control of the Commissioner, will in company with other customs employees board incoming vessels some distance below Canton. It may be added that members of the preventative service were prior to the closing of the port used in a similar manner.

Repeated to Chungking, Peiping, Shanghai.

MEYERS

DDM

See Corrected Copy FE  
1 N

112

# TELEGRAM RECEIVED

FROM

HSM

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

Canton via N. R.

Dated April 13, 1940

Rec'd 2:18 p. m.

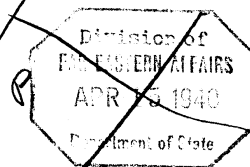
Secretary of State,  
Washington.

35, April 13, 6 p. m.

Reference my 34, April 12, 6 p. m. / 357

CONFIDENTIAL. As an interesting sidelight on the  
proposed opening as from April 20 of the port of Canton  
and the Pearl River to limited commercial traffic by  
existing shipping services, the Commissioner of Customs  
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Canton. In view of the Japanese demands coupled with  
serious circumstances and with a view to avoiding the  
raising of more important issues involving the customs,  
the

show to CHIT MID  
not



793.94112/358

F/N

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

hsm -2- No. 35, April 13, 6 p. m., from Canton

the Commissioner has reported the matter to the Inspector General and unless instructed to the contrary by him, will engage temporarily and provisionally six Japanese "watchers". The Japanese authorities have been advised accordingly. The "watchers" (?) customs uniform and be under the control of the customs, the Commissioner will in company with other (?) employees board incoming vessels some distance below Canton. It may be added that members of the preventive service were, prior to the closing of the port, used in a similar manner.

Repeated to Chungking, Peiping, Shanghai.

MYERS

NK  
EMB

NO. 333

AMERICAN CONSULATE

Tsingtao, China, March 4, 1940.



SUBJECT:

Publicity Given to Views of Tsingtao American Chamber of Commerce on Opening of Yangtze River Provokes Irritation on Part of Japanese. Question Asked as to Extent of American Shipping Interests; Status Quo Ante Asked for. Actions of American and British Chambers of Commerce Contrasted.

THE HONORABLE  
THE SECRETARY OF STATE,

WASHINGTON		Distribution-Check		Yes	No
Grade	For	To Field	In U.S.A.		
M Sokubim					

I have the honor to refer to this consulate's telegram of January 24, 2 p. m., addressed to the consulate general at Shanghai and repeated to the Department, enquiring as to the source of a story which appeared in the SHANGHAI EVENING POST AND MERCURY quoting the memorandum of the American Chamber of Commerce in Tsingtao which was transmitted to the Department in this consulate's telegram no. 7 of January 17, 9 a. m. That memorandum advised caution on the part of the Department in accepting any arrangements proposed by the Japanese on the partial reopening of the Yangtze River.

Summary

The interest evinced by the Japanese consulate general with regard to the newspaper article appears to have been born of a desire to prevent any unfavorable

publicity...

COMMERCIAL AFFAIRS  
Department of State

MAY 3 1940

DIVISION OF

793.94112/359

F/FG

- 2 -

publicity for Japan at that particular time when the expiration date of the American-Japanese Commercial Treaty of 1911 was approaching. There was also apparent a feeling of chagrin and irritation on the part of the Japanese consulate general that in spite of the announcement of the opening of another berth at No. 1 Wharf as reported in this consulate's telegram no. 6 of January 13, which was probably intended more for its effect on Japanese-American relations than on Japanese-British relations (the opening of the additional wharf being of full practical value to British shipping principally, if not entirely), comment so unfavorable to Japan should have been expressed by the American Chamber of Commerce in Tsingtao. The views of the British Chamber of Commerce with regard to the proposed reopening of the Yangtze which have not been published were on the whole of a more restrained tone than those of the American Chamber of Commerce, although shipping in China is a very vital matter to British interests.

1/ The newspaper item to which the Japanese consulate general referred appeared on January 22 in the SHANGHAI EVENING POST AND MERCURY; a copy of the newspaper item is enclosed. When the Japanese consul called at this consulate on the afternoon of January 24, he stated that his interest was prompted by a telegram from the Japanese consulate general in Shanghai which had asked him to investigate the story. Frankly, I was somewhat taken aback, because the memorandum had been sent by this consulate in code and the members of the Chamber had assured me that none of them had sent a copy to any newspaper. The actual manner in which the Shanghai newspaper obtained verbatim extracts from the memorandum is still unknown, although it is believed that it was obtained through British sources. The British Chamber of Commerce in Tsingtao was given by the local American Chamber of Commerce a copy of the memorandum which was

forwarded...

- 3 -

forwarded to the Shanghai British Chamber of Commerce on January 16. The American consulate general in Shanghai in its telegram of January 25, 11 a. m., in reply to my enquiry, stated that the Evening Post gave the British Chamber of Commerce in Shanghai as the source of the newspaper article and this consulate now believes such to be the case.

I had managed to consult the president and a leading member of our Chamber of Commerce at noon after the Japanese consul had telephoned this office announcing he would call to discuss the matter, and I decided to permit the Japanese consul to peruse the memorandum. The Japanese consul enquired whether Americans had important shipping interests at this port; I stated that Americans simply wanted the restoration of the situation prior to the hostilities when shipping facilities of the port were on an equal basis for everyone. I was asked if I could let the Japanese consulate general have a copy of the memorandum to which I replied that the permission of the Chamber of Commerce would be required. Subsequently I did ask the president of the Chamber, who in a letter dated February 7, 1940, informed the consulate as follows:

"I have talked with some of the members of the American Chamber of Commerce about handing a copy of the telegram which was sent to the Secretary of State and none of them are in favour of complying with the request. They

feel...

- 4 -

feel that in as much as the despatch was sent to the Secretary of State that the Chamber of Commerce is not in a position to decide whether or not a copy should be handed to the Japanese Consulate."

The request was repeated by the Japanese consulate general on a subsequent occasion in an informal manner but no action has been taken by this consulate with respect to furnishing that office with a copy of the memorandum. The Japanese consul felt that the skeptical attitude of the American Chamber of Commerce was not justified and that while efforts were being made to improve conditions here with consequent benefit to Japanese-American relations, the Chamber's attitude was not particularly helpful.

Attitude of British Chamber of Commerce.

Adverting to the belief that the newspaper story was obtained through a British source, it is of interest to note that the British Chamber of Commerce in Tsingtao declined to bring independently to the attention of the British authorities in London the Chamber's advice on the proposed reopening of the Yangtze. This is all the more of interest in view of the importance of British shipping on the Yangtze and the fact that the two British firms most closely affected, viz. Jardine, Matheson & Company and Butterfield & Swire, have offices in Tsingtao. Possibly this note of caution and restraint on the part of the British Chamber of Commerce in declining to take steps similar to those of the American Chamber of Commerce in wiring to the home government

was...

- 5 -

was induced as much by a more mature understanding of such matters as by a desire to avoid a local repercussion in a matter in which Tsingtao firms are not directly concerned.

2/ There is enclosed a copy of a letter dated January 16, 1940, addressed by the Tsingtao British Chamber of Commerce to the British Chamber of Commerce in Shanghai, together with enclosure A mentioned in that letter. Enclosure B mentioned therein is the memorandum of the American Chamber of Commerce.

3/ There is also enclosed a copy of an editorial which appeared in the SHANGHAI EVENING POST AND MERCURY under date of January 26, 1940; this editorial deals with the recommendation for caution advocated by the American Chamber of Commerce in Tsingtao.

Respectfully yours,



Samuel Sokobin,  
American Consul.

815.6  
SS/CML

- 3 Enclosures:
1. Copy of item in SHANGHAI EVENING POST & MERCURY, January 22, 1940.
  2. Copy of letter from Tsingtao British Chamber of Commerce, with enclosure,
  3. Copy of editorial in SHANGHAI EVENING POST & MERCURY, January 26, 1940.

Original and four copies to Department,  
Copy to Embassy, Peiping,  
Copy to Embassy, Chungking,  
Copy to Embassy, Tokyo,  
Copy to Consulate General, Shanghai.



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

Enclosure No. /  
Tsingtao despatch no. 333  
MAR 4 1940

Source: The Shanghai Evening Post  
and Mercury, Shanghai, China.  
January 22, 1940.

C O P Y

TSINGTAO AMERICANS DOUBT YANGTZE OFFER  
CAUTION ASKED IN CONSIDERING JAPANESE MOVE  
Chamber advises Hull Proposal May Prove Only Gesture  
Shantung Port Example Cited  
Foreign Shipping Still Suffering Japanese Wharf Rules

"Extreme caution in accepting any proposed partial Yangtze reopening arrangements" has been suggested to Washington as wise policy concerning what might prove "only a gesture as is the case at Tsingtao", in a despatch sent to Secretary Cordell Hull by the Tsingtao American Chamber of Commerce.

According to a traveller just arrived from Tsingtao, the chamber suggested that the suggested partial Yangtze opening might cause "a situation analogous to the partial opening of Tsingtao wharf facilities for foreign shipping" - which situation is evidently deemed rather remote from the heart's desire.

"Tsingtao Gesture"

According to the message, from March 25 of last year, a total of 116 vessels were able to use an allotted "two general cargo berths at pier no. 1 and one dangerous cargo berth at pier no. 4 up to Dec. 31, 1939."

At the same time, "152 vessels were forced to handle cargo and passengers at the unsuitable and most inconvenient Back Bay Anchorage, which anchorage was never utilized prior to the Japanese occupation of Tsingtao in 1938, due to the fact that sufficient wharf accommodation does exist at Tsingtao for all shipping".

Japanese Favored

"During this period", the dispatch went on, "all but two Japanese vessels using the port of Tsingtao were accommodated promptly with wharf facilities at the four piers for ocean shipping. Immediately after the original allotment of berths a genuine attempt was made to accommodate the foreign vessels at the two berths but gradually these facilities were used for Japanese purposes until the month of September when not one foreign vessel had the use of the allotted berths.

"Specifically, preference is always granted Japanese vessels through medium of various monopoly practices including labor, lighterage and details providing prompt dispatch. By means of permit requirements Japanese authorities control native merchants' export freight bookings, resulting in foreign vessels only handling cargo not desired or unsuited to Japanese bottoms."

Specific example of this latter point was cited.

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

( C O P Y )

Enclosure No. 2  
Tsingtao despatch no. 333  
MAR 4 1940

16th. January 1940.

The Secretary,  
British Chamber of Commerce,  
27, The Bund,  
SHANGHAI.

Dear Sir,

Proposed re-opening of the Yangtsze.

I am requested by my Committee to advise you that at a meeting held on 11th. January 1940 the following conclusion was arrived at:-

"That it seems very probable that the proposed re-opening of the Yangtsze will result in a situation there analogous to the most unsatisfactory one which has obtained in Tsingtao since the so called reopening of wharves here to foreign shipping".

In other words it is the general opinion of the Chamber Committee in Tsingtao that any so called concessions which may be made by the Japanese in regard to re-opening of the Yangtsze are most likely to be negatived by shipping restrictions, currency restrictions, monopolies etc. in a manner similar to that in which concessions have been entirely divested of any value at this port.

Concessions are of very little value to foreign commerce generally if boycotts are promoted and supported by Japanese Authorities in the interior, and if imports and exports are arbitrarily controlled as they are here at present through the Yokohama Specie Bank and, welcome as are the extended facilities to foreign shipping, they are really a very small step forward to the time when equal opportunity for the commerce of all countries, which existed before the Japanese invasion of China, is restored.

With regard to shipping restrictions, unsatisfactory wharf accommodation, delays and expense in working British ships and discrimination in general we attach (enclosure A) a considered statement prepared by the two British Shipping Companies in Tsingtao which covers the situation here.

The American Chamber of Commerce here hold exactly similar views to our own and after consulting with the British Shipping firms in Tsingtao, they have wired those views to Washington - as per copy of their telegram attached hereto. (enclosure B)

They asked us at the same time whether we would care to wire in a similar strain to London. We told them,

however,

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

- 2 -

however, that while we are in complete agreement with them, we feel that the matter of the re-opening of the Yangtze is one which primarily concerns the Shanghai Chamber of Commerce rather than the Tsingtao Chamber and that our views would carry far more weight if brought to the attention of the Authorities at home by the Shanghai Chamber of Commerce.

We are therefore writing to you in order that, if you see fit, you may be in a position to quote these views in any representations which you may be making.

The mention at the head of page 2 of "extended facilities" and in Enclosure A of "new regulations" are references to the increase in wharfage facilities announced three days ago by the Japanese Authorities here and outlined and commented upon in our weekly Bulletin No.86.

Yours faithfully,

Hon. Secretary.

Encl.

ENCLOSURE A

Statement regarding shipping restrictions, unsatisfactory wharf accommodation, delays and expense in working British ships and discrimination in general.  
-----

Since the boom was removed early in 1938 the Great Harbour has been used extensively by Japanese transports, but room has always been found for Japanese merchant vessels, some occasionally having had to wait a day or two for turn of berth. No third-power vessels were allowed into the Great Harbour until on the 25th. March 1939 the Japanese made the gesture of opening for the use (not exclusive) of third-power vessels two coasting vessels' berths, the equivalent of one ocean ship's berth, on No.1 Wharf without, however, any covered storage, and one berth on the Oil or No.4 Wharf. The wharf capacity is 23 General Cargo Berths with 13 having Godowns adjacent.

Military necessity was made the excuse for discriminating very heavily sometimes, against third-power shipping, particularly British, as the following figures show:-

(Note) From 29th. August to 22nd. October  
no third-power ocean ship obtained a  
berth at the Wharf, and no similar coast-  
er from 9th. July to 30th. October 1939.

FROM 25TH. MARCH 1939 TO 31ST. DECEMBER, 1939.

<u>VESSELS</u>	<u>BERTHED</u> <u>AT WHARF</u>	<u>UNABLE TO</u> <u>OBTAIN BERTH</u>	<u>TOTAL</u>
British Lines	84	140	224
German	14	3	17
Other Foreign	5	5	10
	<u>103</u>	<u>148</u>	<u>251</u>

FROM 1ST. JANUARY 1939 TO 31ST. DECEMBER, 1939.

Japanese and			
Japanese controlled			
Chinese ships			
(merchant ships)	<u>1,385.</u>	---	<u>1,385.</u>

During the whole time there were except on few occasions empty berths at the Wharves but the Military monopolized most whether used or vacant.

In consequence of this the ships working at the Anchorage, or Back Bay, had to do all their discharging and loading with inadequate fishing junks run by a Japanese sponsored monopoly lighter company, and the shore end was merely a sandy beach where loading and unloading of junks had to be done. Therefore many days of delay were experienced owing to wind and sea making it too rough to work, moreover passengers and cargo were subject to grave risk in being conveyed from half to one mile from ship to

shore...

- 2 -

shore or vice versa in the unsuitable craft available. The Japanese authorities withdrew their authority for Shipping Companies to use their own launches, lighters or boats. The cost of conveying the cargo from shore to ship, or vice versa, was about \$8.00 per ton compared with less than \$1.00 at the Wharf.

In addition to this discrimination Chinese shippers, though preferring to ship by British coasters even at higher freight rates, were forced by the Japanese Naval Mission (or Asia Development Board) to ship by Japanese coasters whenever these were available and had the space.

As a result of the difficulties delays and expense of working British ships in Tsingtao owners were disinclined often to do more than just cover the berth, and withdrew a number of ships from the run owing to the uncertainty of support and despatch. Many foreign shippers particularly those with bulky packages had to ship by Japanese if they wished to be sure of loading or discharging at the Wharf, and a great deal of the normal revenue was lost to British ships.

The new regulations released on the 13th. January 1940 stating that berths for four coasters or two ocean ships are now available for third-power vessels may be an improvement but may not. The two extra berths as well as the other two have all along been used extensively by Japanese vessels. Therefore as third-power vessels have still to share their rights to these four berths with Japanese merchant ships or transports the position may at any time revert to the previous state of discrimination. The godown position for the same reasons may show similar results, as also the question of night work. It remains to be seen whether this further gesture is to be of permanent value as a definite improvement in Tsingtao shipping conditions.

Enclosure No. 3  
Tsingtao despatch no. 333  
MAR 4 1940

PUBLISHED

Source: The Shanghai Evening  
Post and Mercury,  
January 26, 1940.  
Shanghai, China.

C O P Y

THE VOICE OF EXPERIENCE

Warning has been sent to Washington by the Tsingtao American Chamber of Commerce in connection with the much but vaguely talked-about partial opening of the Yangtze, maybe. Tsingtao's experience with Japanese assurances on shipping berths, it is suggested, is something to think over in connection with any further rosy promises.

Between March 25 and December 31 of last year, according to the Chamber, a total of 116 foreign vessels were able to use an allotted "two general cargo berths at pier No. 1 and one dangerous cargo berth at pier No. 4. Meanwhile 152 vessels were forced to handle cargo and passengers at the "unsuitable and most inconvenient Back Bay anchorage, which anchorage was never utilized prior to the Japanese occupation of Tsingtao in 1938, due to the fact that sufficient wharf accommodation does exist at Tsingtao for all shipping." Further -

"During this period, all but two Japanese vessels using the port of Tsingtao were accommodated promptly with wharf facilities at the four piers for ocean shipping. Immediately after the original allotment of berths a genuine attempt was made to accommodate the foreign vessels at the two berths but gradually these facilities were used for Japanese purposes until the month of September when not one foreign vessel had the use of the allotted berths. Specifically, preference is always granted Japanese vessels through medium of various monopoly practices including labor, lighterage and details providing prompt dispatch. By means of permit requirements Japanese authorities control native merchants' export freight bookings, resulting in foreign vessels only handling cargo not desired or unsuited to Japanese bottoms."

In fairness it must be pointed out that since the period of this report, one additional berth has been made available by the Japanese military. How valuable it will be, in the light of the foregoing, remains problematical; and one can hardly blame the Tsingtao Americans for counseling caution in jubilation over the blessings of a potential opening of a small portion of the Yangtze.

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

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*DCH*

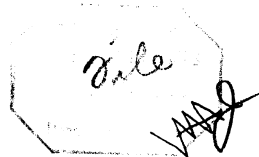
VOLUNTARY

(Reference is made to telegram No. 80 of March 14, 1940,  
to the Department from the American Consul General, Hong Kong)

793.94112/343

793.94112

note  
8469-85



For Distribution-Check		Yes	No
Grade	<i>A</i>		
For	<i>Bruins</i>		
		<i>Maritime Comm.</i>	
		<i>Commerce</i>	

MAY 2

RECEIVED  
DEPARTMENT OF STATE

12 11 31 AM '40

RECORDING DESK  
FILE-C.S.

DIVISION OF  
COMMERCIAL AFFAIRS  
Department of State  
MAY - 1 1940

HONG KONG MERCHANT SHIPPING ORDINANCE  
AMENDMENT.

From:

*John H. Bruins*  
John H. Bruins  
American Consul

Hong Kong

Date of Completion: March 18, 1940

Date of Mailing: March 28, 1940

Approved:

*Addison E. Southard*  
Addison E. Southard  
American Consul General

793.94112/360

F/A

- 1 -

Clearance of Merchant Vessels from Hong Kong:

The Hong Kong Merchant Shipping Ordinance No. 10, of 1899, Section 22(6) provides that every merchant vessel going to sea shall give due notice of sailing and obtain a proper clearance from the Hong Kong Harbormaster. Violations were punishable by a fine of not exceeding \$250 Hong Kong currency.

- 1/ A copy is enclosed of an amendment to this ordinance, passed by the Legislative Council of Hong Kong on March 14, 1940, and effective the same date:
- (a) increasing the penalty to a fine not exceeding \$2500 and to imprisonment for not over six months, and
  - (b) granting the Harbormaster discretion to refuse to furnish a port clearance if the intended voyage is to any port in China which has not been opened at any time to foreign trade.

Treaty Violation Involved:

The objects and reasons for this amendment were officially stated in Government Gazette No. 10 of March 8, 1940, on the occasion of the first reading of the amendment, as follows:

"1. Article XLVII of the Treaty of Tientsin (1858) provided that 'British merchant vessels are not entitled to resort to other than the Ports of Trade declared open by this Treaty. They are not unlawfully to enter other Ports in China or to carry on clandestine Trade along the coast thereof. Any vessel violating this provision shall, with her cargo, be subject to confiscation by the Chinese Government'.

"2. Various ports were opened to foreign trade by that Treaty, some had been opened before by the Treaty of Nanking, and others have been opened since.

"3. The Treaty provisions do not appear to have been implemented by specific provisions in

the



- 2 -

the Merchant Shipping Act or Ordinance, possibly because the liability to confiscation by the Chinese Government was in itself considered a sufficient deterrent.

"4. Now however that the movements of the Chinese Customs preventive service are restricted by hostilities in the waters of the coast of China near the Colony the amendments to section 22 (6) of the Merchant Shipping Ordinance, 1899, seem called for if the Treaty provisions are to be made effective.

"5. By Article XXVI of the Royal Instructions, Bills relating to Treaty obligations or affecting Trade or shipping require either a clause suspending their operation until the signification of the Royal pleasure thereon or prior submission of the Bill for Royal instructions through the Secretary of State. The latter alternative was adopted in this case and His Majesty's instructions for the introduction of the Bill to the Legislative Council have been received."

Real Reason for Amendment is to Embarrass Irregular  
Pearl River Traffic:

As stated in telegram No. 80, of March 14, 1940, from the American Consul General in Hong Kong, the above action was initiated by the Commissioner of the Chinese Maritime Customs in Hong Kong who is a British subject. His protest arose from the fact that a considerable part of the present Pearl River traffic between Canton and Hong Kong (inimical to the interests of the Chinese Customs) is brought with Japanese connivance from Canton or Whampoa to the vicinity of Taichan Island, just outside Hong Kong territorial waters. Between this island and the mainland is small, sheltered Taichan Bay where the cargoes are transferred to lighters from Hong Kong. These lighters normally clear Hong Kong for the "port" of Namtau which is in reality a small village on Taichan Bay, also just outside Hong Kong territory. Namtau is too unimportant to have ever been declared as a "Treaty Port" open to

international

*In Comp. Dec. 12*

- 3 -

international trade. Under the present amendment, the Hong Kong Harbormaster may therefore refuse clearance to Nantau or to any similar points.

Effect of Amendment Remains Doubtful:

*In confidence*

The Hong Kong Harbormaster recently stated to the writer that while British officials do not countenance the trade which is going on contrary to the Japanese "closure" of the Pearl River, nevertheless he added that such trade is commercially advantageous to Hong Kong. It therefore remains to be seen (1) whether this authority will be used by him seriously to hamper the existing irregular traffic; (2) whether the British authorities will use it mainly as a bargaining point against the Japanese; or (3) possibly that the amendment was passed merely to satisfy the technical objection raised by the (British) Commissioner of Chinese Customs. The degree of celerity displayed by the Japanese authorities in reopening the Pearl River may also have a bearing upon the manner of administering the new Hong Kong ordinance.

Enclosure:

- 1/ An Ordinance to amend the Merchant Shipping Ordinance, 1899.

800  
JHB:em

Distribution:

In quintuplicate to the Department;  
Copy to Consulate General, Shanghai;  
Copy to Consulate General, Canton.

Sources of Information:

Government Gazettes Nos. 10 and 11, 1940;  
Commissioner of Chinese Maritime Customs, Hong Kong;  
Harbormaster of Hong Kong.

Enclosure to report dated March 18, 1940, from  
John H. Bruins, American Consul at Hong Kong, on subject  
of "Hong Kong Merchant Shipping Ordinance Amendment".

HONG KONG.

No. 4 of 1940.

1 assent.

(L.S.)

G. A. S. NORTHCOTE,  
Governor.

15th March, 1940.

An Ordinance to amend the Merchant Shipping Ordinance,  
1899.

(15th March, 1940.)

Be it enacted by the Governor of Hong  
Kong, with the advice and consent of the  
Legislative Council thereof, as follows:-

Short title. 1. This Ordinance may be cited as the  
Merchant Shipping Amendment Ordinance, 1940.

Amendments of Ordinance No. 10 of 1899, s.22 (6). 2. Sub-section (6) of section 22 of the  
Merchant Shipping Ordinance, 1899, is amended:-

(a) by the repeal of the words "shall be  
liable to a fine not exceeding two hundred  
and fifty dollars" in the fourteenth and  
fifteenth lines thereof and by the substitution  
therefor of the words "shall be liable on  
summary conviction to a fine not exceeding  
two thousand five hundred dollars and to  
imprisonment for any term not exceeding six  
months".

(b) by the addition of the following  
paragraph at the end thereof:-

If the intended voyage is to any port  
in China which has not been opened at any  
time to foreign trade the Harbour Master may,  
at his absolute discretion, refuse to furnish  
a port clearance.

Passed the Legislative Council of Hong Kong,  
this 14th day of March, 1940.

C. BRAMALL BURGESS,  
Deputy Clerk of Councils.

CROSS-REFERENCE FILE

NOTE

SUBJECT Projected reopening of the Lower Yangtze to trade.  
Report concerning -, for month of February, 1940.

aa

For the original paper from which reference is taken

See ..... # 2972  
(Despatch, telegram, instruction, letter, etc.)

Dated Mar. 15, 1940 From Shanghai (Gauss ).  
To

File No. .... 893.00 P.R. Shanghai/ 137

793.94112 / 361

21

c. Relations of a General International Character.

Projected Re-opening of Lower Yangtze to Trade.

792,941

There was no evident progress toward the realization of the project for re-opening the lower-Yangtze region to trade. The Japanese Minister of War, General Shunroku Hata, stated on February 19 that the date for the re-opening would be fixed on the basis of the strategic point of view, giving full consideration to factors of peace and safety.\* The question of concomitant restoration to functioning of the Chinkiang and Nanking Custom Houses remained an unsolved problem.\*\* In regard to the proposed re-opening of the lower-Yangtze region to trade, an article in the February issue of the magazine Asahi voiced the desire of certain Japanese circles that international trade in the lower-Yangtze area should be "organized" upon the re-opening of the Yangtze, thus to prevent a return of the allegedly unlimited and destructive competition which existed there before the occurrence of the "Incident". Japanese traders and industrialists were stated to be urging the Japanese Government to enlist American and British cooperation in organizing a controlled economic system in the region where military restrictions are lifted and in agreeing on

-6-

a plan of joint economic action which would become effective immediately upon the re-opening of the Yangtze." There has been before this some evidence that Japanese commercial interests view with some trepidation the day when free Occidental competition in Chinese economic fields may be restored. The reference in the aforementioned Japanese article to the probability that British shipping interests would speedily re-gain lost trade upon re-opening of the river to commercial navigation, and that the increased use of Chinese legal currency would be a natural consequence (and objectionable to the Japanese) of an unconditional restoration of trade, is quite germane to the subject.

It has been suggested, not without some basis in logic, that the Japanese intend that the matter of re-opening the Yangtze shall be handed over to Mr. Tang Ching-wei's proposed new Government for disposal, in order that he shall possess from the very beginning a lever to assist him in establishing his international position.

118

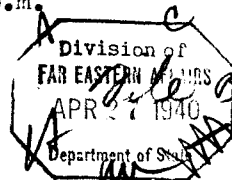
TELEGRAM RECEIVED

CORRECTED FIRST PAGE

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

FROM Canton via N.R.  
Dated April 26, 1940  
Rec'd 2:53 p.m.

Secretary of State  
Washington



43, April 26, 6 p.m.

793-94112/357

Referring to my telegram Number 34, April 12, 6 p.m.

Japanese plans for a restricted cargo service by the  
vessels carrying passengers between Hong Kong and Canton  
envisaged in the memorandum addressed to the British  
Consul General which was mentioned in my telegram under  
reference have not as yet been put into effect.

Conditions subsequently advanced by <sup>the Japanese for</sup> ~~United States~~ <sup>Hes</sup>  
the alleged purpose of preventing smuggling of cargo into  
unoccupied areas and considered particularly objectionable  
by the British are: (one) that lighterage at Canton shall  
be restricted to members of the recently organized Canton  
Stevedore and Godown Association (which third power shipping  
concerns have been invited to join) and (second) that  
Japanese be permitted to station a small unit of soldiers  
at the British company's godowns to watch the removal of  
cargo from steamers to godown and from godown to lighters.  
With regard to the latter condition the Japanese authorities  
have stated that until it is accepted the memorandum re-  
ferred

793.94112/362

MAY 7 - 1940  
F/A

116

-2- #23, April 26, 6 p.m., from Canton

ferred to above cannot be put in put (\*).

The British Consulate General regards the new conditions relating to British shipping as unacceptable and holds that the bilateral agreement under which British and Japanese ships have been operating between those ports cannot be unilaterally abrogated and is therefore still in effect.

The British shipping company has announced that for the time being the steamship FATSHAN will carry only passengers and their personal effects.

Repeated to Peiping, Chungking, Shanghai, Hong Kong.

MYERS

WNC

(\*) Apparent omission



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

115  
TELEGRAM RECEIVED



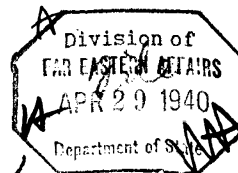
FROM PLAIN

Shanghai via N. R.

Dated April 29, 1940

Rec'd 10:50 a.m.

Secretary of State  
Washington.



364, April 29, 5 p.m.

Shanghai's 661, July 28, 4 p.m.

793.94112  
Japanese Consul General has communicated to Senior Consul a letter dated April 26 on behalf Japanese naval authorities regarding navigation of third power merchant vessels in vicinity Wenchow, requesting notification of interested colleagues "in order to preclude the possibility of any untoward incidents". He forwarded naval authorities statement as follows: "The Imperial Japanese navy have learned that recently there have been several cases in which merchant vessels without lights have given a total disregard of the signals to stop by the Japanese patrolling men of war in the vicinity of Wenchow.

The Japanese naval units have been refraining from taking any positive measures, taking into consideration the fact that the vessels might be those of third power. However, as it is difficult to differentiate these vessels from those possessing enemy character, the Japanese naval patrols may hereafter take such steps as

deemed

793.94112/363

APR 29 1940

F/N

136

-2- #364, April 29, 5 p.m., from Shanghai.

deemed necessary to cope with the situation.

In view of the foregoing, the Japanese naval authorities are desirous that vessels of third powers will take due care in conducting themselves in such a way that no doubts can be raised as to their identity.

Furthermore, the Imperial Japanese navy cannot assume any responsibility for whatever eventuality that might befall contrary to those expected by the Japanese navy. It is, therefore, desired that third powers shipping companies be advised accordingly.

Copy of Japanese Consul General's letter sent to Commander-In-Chief Asiatic Fleet. Department's instructions requested.

Repeated to Peiping, Chungking, Hong Kong, Foochow, Amoy, Swatow, Canton, by air mail to Tokyo.

BUTRICK

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

PREPARING OFFICE  
WILL INDICATE WHETHER

Collect { Full rate  
Day letter  
Night letter

Charge Department:  
Full rate  
Day letter  
Night letter

Charge to  
\$

**117**

**TELEGRAM SENT**

**Department of State**

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

Washington, NAVAL RADIO  
5-1  
April 30, 1940.  
6 p.m.

AMERICAN CONSUL,  
SHANGHAI (CHINA). *aka K7*

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

*187*  
Your 364, April 29, 5 p.m.

As the attitude and position of this Government in regard to notifications of this nature from the Japanese authorities have been made abundantly clear on a number of occasions in the past, it is not considered that a reply by you in this instance would serve any productive purpose.

It is suggested that you informally communicate the substance of the Japanese Consul General's letter to the local offices of American shipping companies who may be concerned, for their information.

Sent to Shanghai. Repeated to Chungking, Peiping and Hong Kong.

*CR*  
*MAY 1 1940*  
793.94112/363

*Acting*

GA  
FE:GA:JFS  
Enciphered by \_\_\_\_\_  
Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_

*WMA*  
*FE*  
*WMA*  
*PAW*

793.94112/363

F/N

119



TELEGRAM RECEIVED

Hankow via N. R.

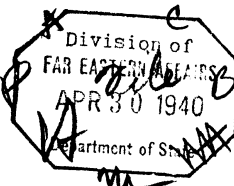
FROM

Dated April 30, 1940

Rec'd 10:33 a. m.

Secretary of State,  
Washington.

COPIES SENT TO  
O.N.I. AND I.L.D.  
REK



34, April 30, 3 p. m.

Japanese interference with American rights and interests.

During an interview this morning with the Japanese army liaison officer at Hankow a member of my staff was informed:

One. The Yangtze will be closed to third power travel until sometime in June. Third power nationals will not be allowed to travel by air between Shanghai or intermediary points and Hankow.

Two. Japanese civilians and Chinese civilians not on the "black list" may travel on the Yangtze.

Three. Regular passenger and (?) schedules will be maintained.

The liaison officer first implied that the restrictions were due to a fear of third power observation of military "secrets" then stated that they were imposed to protect third power nationals. The objection to travel

793.94112/364

F/N

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hsm -2- No. 34, April 30, 3 p. m., from Hankow

by air was that the route is partly prohibited areas.

This temporary denial of travel to all third power nationals was due, the liaison officer declared, to the Japanese authorities' lack of power to discriminate, as they do with the Chinese, between those individuals cooperating with the Japanese and those not doing so.

This office believes that in part these restrictions indicate Japanese anxiety over increased Chinese military activity along the Yangtze and preparation of Japanese offensive action. It has not yet been possible to determine whether actual risks of travel are so great as to extenuate the "protective" Americans and other third power nationals.

It is known that seven American citizens contemplate applying for steamer transportation to Shanghai during the month of May. Appropriate representations will be addressed by this office to local Japanese authorities.

Repeated to Chungking, Peiping and Shanghai.

SPIKER

RR

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



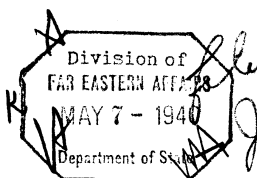
THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

AMERICAN EMBASSY

No. 4631

Tokyo, April 4, 1940

SUBJECT: BRITISH REPRESENTATIONS REGARDING JAPANESE  
CLOSURE OF THE PORT OF SWATOW TO VESSELS  
OF THIRD POWERS.



For Distribution-Check		Yes	No
Grade	For		

The Honorable

The Secretary of State,  
Washington

Sir:

I have the honor to refer to the Embassy's despatch no. 4466/<sup>342</sup> dated February 5, 1940, and previous communications concerning British representations in regard to the closure by Japanese authorities of the port of Swatow. There is now enclosed a copy of a  
1/ note verbale, no. 60, dated March 16, 1940, from the British Embassy to the Japanese Ministry of Foreign Affairs

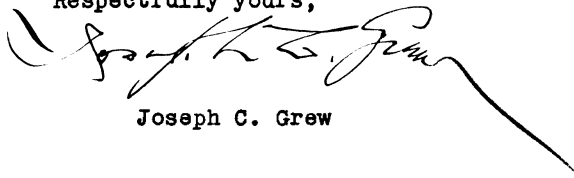
793.94112/365

FA

-2-

Affairs, citing details of trading activities by Japanese vessels at Swatow during January, stating that the increase in trade thus revealed is evidence that the closure of the port to third power vessels can no longer be justified on grounds of military necessity alone, and inquiring whether early steps may now be expected for the opening of the port to legitimate foreign trade.

Respectfully yours,



Joseph C. Grew

Enclosure:

1. Copy of British note verbale as stated.

350  
mg

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. Quisenberry NARS, Date 12-18-75

Enclosure no. 1 to despatch  
no. 4631, April 4, 1940  
from the Embassy at Tokyo.

No. 60 (23/74SW/40).

NOTE VERBALE

His Majesty's Embassy present their compliments to the Imperial Japanese Ministry of Foreign Affairs and, with reference to the Ministry's Note Verbale No. 10 of the 17th January last, have the honour to transmit certain information which they have received regarding trading activities by Japanese vessels at Swatow during the month of January.

2. His Majesty's Embassy further understand that imports into Swatow, particularly of consumption goods and fertilizers, have risen as follows:

November 1939	96,414 packages
December 1939	117,960 packages and 350 tons of coal
January 1940	241,528 packages and 600 tons of coal

3. The increase in trade revealed by these statistics is evidence that the closure of the port to Third Power vessels can no longer be justified on grounds of military necessity alone. His Majesty's Embassy accordingly have the honour to enquire whether early steps may now be expected for the opening of Swatow to legitimate foreign trade.

British Embassy,  
Tokyo.  
16th March 1940.



There were 21 Japanese vessels (excluding genuine transports) calling at this port during January, of which 17 entered with import cargo, and 13 cleared with export cargo.

Imports into Swatow by Japanese Vessels during January 1940.

		Jan.1940(from S'hai) Pkgs 241,328 & 600 tons coal.	Jan.1939(from S'hai & N.C. ports all Coys) Pkgs 359,048
Beans	bags	18,488	46,692
Beancake	pieces	89,010	194,545
Beer	cases	400	150
Cigarettes	cases	2,004	6,623
Cotton Yarn	bales	316	7,852
Dyes	kegs	49	31
Flour	bags	65,504	55,797
Fresh Fruit	cases	55	80
General Cargo	pkgs	4,295	11,910
Groundnuts(Shelled)	bags	5,248	49,634
" Oil	tins	150	15,117
Lily Flowers	bags	1,229	-
Matches	cases	2,484	200
Medicine	pkgs	671	1,914
Paint	tins	213	1,035
Paper & Paper Boards	pkgs	59	117
Piece Goods	cases	462	929
Rice	bags	3,243	12,868
Salt Fish	baskets	7,734	1,994
Senna Seeds	bags	833	-
Soda Ash	bags	1,554	-
Soap	cases	7,006	3,362
Sulphate of Ammonia	bags	20,942	19,529 (From HK)
Tea	cases	60	-
Vermicelli	bales	550	20
Wine (Chinese)	pkgs	1,783	24,265
Wire Nails	pkgs	225	2,606
Total		234,567	457,290

In addition the following for which 1939 figures are not available, were imported by Japanese vessels in January 1940.

Benzine	tins	40
Cement	bags	5,000
Canned goods	cases	80
Coal	tons	600
Cocoanut Oil	tins	300
Fuel Oil	drums	200
Kerosene	tins	891
Milk	cases	234
Provisions	cases	226

Grand Total pkgs 241,528 and 600 tons Coal.

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

Exports by Japanese Vessels for the Month January 1940.

		<u>For China Coast and Formosa.</u>	<u>For Singapore or Bangkok with transshipments at Amoy or Shanghai.</u>
Bamboo ware	pkgs		52
Canned Goods	cases		50
Cockles	pkgs	742	
China Ware	pkgs	1,490	
Dried Fruits	baskets		540
Dried Garlic	pkgs		56
Fish Nets	pkgs		186
General Cargo	pkgs	228	220
Goose Feathers	bales	199	
Joss Paper & Sticks	pkgs	1,318	639
Linen Drawn threadwork	cases	1,059 *	
Medicine	pkgs	2	
Oranges, Fresh	tubs	4,270	12,160
Paper	pkgs		117
Potato Flour	bags		27
Preserves	cases	60	50
Salt Condiments	jars		2840
Straw Hats	pkgs		214
Sugar	bags	2,921	
Tea	cases		120
Vegetable Seeds	pkgs		12
Vegetable, Fresh	pkgs		666
		11,589	17,943

\* To Europe or U.S.A. with transshipment 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

122

TELEGRAM RECEIVED

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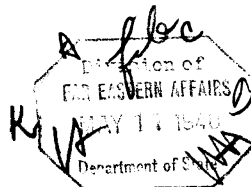
Hankow via N. R.

FROM

Dated May 17, 1940

Rec'd 10:25 a. m.

Secretary of State,  
Washington.



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

36, May 17, 4 p. m.

My 34, April 30, 3 p. m., closure of Yangtze to  
third power nationals.

793.94112  
A member of my staff called at the Japanese army  
liaison office on May 15, where he was told that travel  
on the Yangtze continues to be prohibited until an  
indefinite date. Pressed for reasons for the restriction  
the liaison officer would only say "military necessity".

The opinion of this office after extensive inquiries  
is that travel on the Yangtze to and from Shanghai is now  
no more hazardous than at any time since the occupation  
of Hankow. In view of this, the discrimination against  
Americans and other third power nationals would seem to  
be inspired by political considerations.

Repeated to Chungking, Peiping and Shanghai.

SPIKER

CSB

793.94112/366

MAY 22 1940

F/N

123.

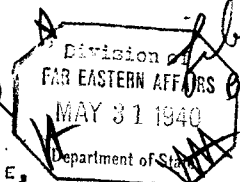
TELEGRAM RECEIVED

JT

GRAY

FROM

SHANGHAI VIA N.R.



Dated May 29, 1940

Rec'd 3:25 p.m.

Secretary of State,  
Washington.

*See Tokyo's 895, May 31, 5 pm*

467, May 29, 6 p.m.

My 364, <sup>363</sup>April 23, 6 p.m., Hankow's 36, <sup>366</sup>May 17,

4 p.m., transportation of Americans to Kiukiang and Hankow.

American applicants are waiting for Japanese landing permits and transportation to Kiukiang and Hankow. The Japanese authorities have not (repeat not) issued succeeding permits or arranged such transportation since March 26. They have based their refusals on the grounds of "military necessity". The Japanese authorities now stating they expect to send a transport to Hankow with facilities for a limited number of foreign passengers on June 5. Since many applicants of British and other nationalities are also awaiting transportation, it is extremely improbable that all the American applicants will be afforded accommodations if the transport does go on June 5.

The U.S.S. LUZON and the U.S.S. GUAM are leaving Shanghai for Hankow and way ports on May 31. The American naval authorities offered to send the U.S.S. ISABEL also

in

E/N

793.94112/367

124

-2- #467, May 29, 6 p.m., from Shanghai

in order to afford transportation for American applicants if Japanese landing permits for the applicants could be obtained. Notwithstanding repeated urgent representations by this office the Japanese authorities have refused to issue landing permits for American civilians desiring to proceed to Kiukiang and Hankow on American naval vessels. The Japanese authorities have agreed to issue such a permit to Vice Consul Staten because he is a Government official. In connection with the attitude of the Japanese authorities toward the transportation of Americans on American naval vessels, please refer to this Consulate General's despatch No. 2462, August 24, 1939 reporting the request of the Japanese that the American naval authorities should not provide such transportation.

This office is under considerable pressure from Americans who have been awaiting transportation to Kiukiang and Hankow for a long time, and it is therefore suggested that the Department may wish to have the Embassy take up the matter with the Japanese Government in an endeavor to obtain early transportation for these Americans.

Repeated to Chungking, Hankow and Tokyo.

BUTRICK

CSB

125

TELEGRAM RECEIVED

MR

GRAY

FROM

Hankow via N.R.

Dated May 30, 1940

Rec'd 4:15 a.m.

Secretary of State,  
Washington.

Division of  
FOR EASTERN AFFAIRS  
MAY 31 1940  
Department of State

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

*422*  
May 30, 10 a.m.

Reference my 34, April 30, 3 p.m. /364

Japanese military liaison officer here has stated  
that restrictions on travel on the Yangtze by third  
power nationals have been lifted. Japanese Consulate  
General has today indicated further steps are being taken  
in relation to the transportation to Shanghai of Americans  
now awaiting passage.

Repeated to Chungking, Peiping and Shanghai.

SPIKER

RR



793.94112/368

F/N

TELEGRAM RECEIVED

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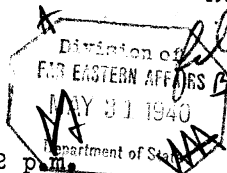
GRAY

FROM Shanghai via N.R.

Dated May 31, 1940

Rec'd 9:05 a.m.

Secretary of State  
Washington



470, May 31, 2 p.m.

My 467, May 29, 6 p.m. In the temporary absence

of Japanese Consul General I saw Consul Sato yesterday. He said military authorities were unwilling to make exception to their "principle" by permitting persons other than officials to travel on American gunboats even though I urged it as a common sense solution to meet the present exigency. He stated that accommodations would be supplied on a Japanese transport leaving between June 5 and 10. I expressed concern whether that transport would take all Americans waiting and he assured me it would. Nevertheless I suggest this be confirmed at Tokyo.

It is an unhappy situation when Americans must use Japanese transportation when transportation on an American Government vessel is available. Permitting Americans to travel on American non-commercial vessels could scarcely be considered as affecting the question of the "opening of the Yangtze".

Repeated to Peiping, Chungking, Hankow and Tokyo.

CSB

BUTRICK

793.94112/369

F/N

TELEGRAM RECEIVED

FROM

JI

GRAY

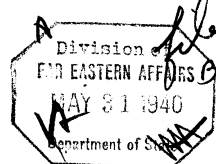
Peiping via N. R.

Dated May 31, 1940

Rec'd 2:58 a.m.

Secretary of State

Washington



182, May 31, noon.

Hankow's 42, <sup>368</sup> May 30, 10 a.m. regarding travel  
on Yangtze has been repeated to Tokyo.

Repeated to Chungking, Shanghai and Hankow.

SMYTH

HTM

793.94112/370

F/N

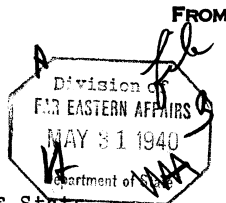
JUN 4 - 1940  
RECORDED



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

TELEGRAM RECEIVED

RDS



Secretary of State,  
Washington.

GRAY

Tokyo via Shanghai & N.R.

Dated May 31, 1940

Rec'd 12:24 p.m.

395, May 31, 5 p.m.

Shanghai's 467, May 29, 6 p.m., travel on Yangtze

Action taken today.

Repeated to Chungking, Peiping and Hankow.

GREW

RR

793.94112/371

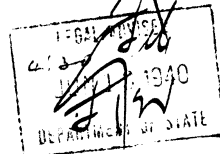
JUN 4 1940  
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Quisenberry NARS, Date 12-18-75



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

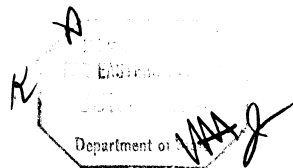
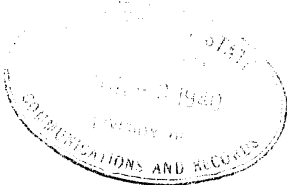


AMERICAN EMBASSY

Tokyo, May 14, 1940.

No. 4706.

SUBJECT: FRENCH REPRESENTATIONS CONCERNING PEARL  
RIVER PILOTAGE.



793.94112

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

The Honorable

The Secretary of State,  
Washington.

Sir:

1/ With further reference to our despatch no. 4545  
of February 28, 1940, regarding Pearl River pilotage  
regulations, I have the honor to transmit herewith,  
for the Department's information, a copy of a note,  
no. 26 dated May 9, 1940, from the French Ambassador  
at Tokyo to the Japanese Minister for Foreign Affairs  
protesting against certain aspects of the temporary  
regulations

793.94112/372

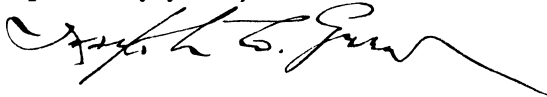
JUN 14 1940

F/A

-2-

regulations regarding pilotage on the Pearl River which entered into force on February 1, 1940, together with an English translation of the above communication made in this Embassy. There is also enclosed a copy of identical British representations to the Japanese Government on this same subject, dated May 10, 1940.

Respectfully yours,



710  
SEG:C

Joseph C. Grew.

✓  
Enclosures:

- 1/ The French Ambassador to the Minister for Foreign Affairs, May 9, 1940;
- 2/ Translation of note dated May 9, 1940;
- 3/ The British Ambassador to the Minister for Foreign Affairs, May 10, 1940.

Copy to Embassy, Peiping;  
" " " Chungking;  
" " Consulate General, Shanghai;  
" " " Canton.

Original and 2 copies to Department.

Enclosure no. 1 to despatch  
no. 4706 dated May 14, 1940,  
from the Embassy at Tokyo.

(With the compliments of the French Embassy to the  
American Embassy).

The French Ambassador, Mr. Arsène-Henry, to the Minister  
for Foreign Affairs, Mr. Arita, May 9, 1940.

9 mai 40

no. 26.

Monsieur le Ministre,

Sur les instructions de M. le Président du Conseil,  
Ministre des Affaires Etrangères, j'ai l'honneur d'appeler  
l'attention de Votre Excellence sur les règlements temporaires  
concernant le pilotage sur la Rivière des Perles qui sont  
entrés en vigueur le 1er février 1940.

Quoique ces règlements soient présentés comme con-  
stituant des mesures temporaires dûes à des nécessités  
militaires, ils n'en contiennent pas moins des dispositions  
critiquables et l'on peut craindre que les Autorités  
japonaises n'aient l'intention de les maintenir en vigueur  
lorsque la Rivière des Perles sera rouverte à la navigation  
étrangère.

Les principales critiques de mon Gouvernement portent  
en premier lieu sur le pilotage obligatoire à un tarif  
excessif, qui est contraire tant aux Traités qu'au Règlement  
de 1868 sur le pilotage. De même certaines provisions ont  
pour but d'établir une discrimination en faveur du commerce  
japonais, telles que l'exemption en faveur des navires japonais  
affrétés et l'exclusion de la zone de Whampoa de la réglementa-  
tion en question.

En protestant auprès de Votre Excellence contre ces  
règlements, j'ai l'honneur de Lui demander de vouloir bien  
intervenir auprès des autorités japonaises compétentes pour  
en obtenir l'annulation./.

Veuillez agréer, etc...

Signé: Charles Arsène-Henry

Son Excellence  
Monsieur Hachiro Arita,  
Ministre des Affaires Etrangères  
etc.etc.etc.  
Tokyo.

Enclosure no. 2 to despatch  
no. 4706 dated May 14, 1940,  
from the Embassy at Tokyo.

Translation of a note in French sent by the French  
Ambassador, Mr. Arsène-Henry, to the Minister for  
Foreign Affairs, Mr. Arita, dated May 9, 1940.

no. 26

May 9, 1940.

Mr. Minister:

Under instructions from the President of the Council,  
Minister for Foreign Affairs, I have the honor to invite  
Your Excellency's attention to the temporary regulations  
concerning pilotage on <sup>the</sup> Pearl River which entered into effect  
on February 1, 1940. Although these regulations are repre-  
sented as constituting temporary measures, due to military  
necessity, they nevertheless contain provisions which are  
open to criticism and it may be feared that the Japanese  
authorities have the intention of maintaining them in force  
when the Pearl River is reopened to foreign navigation.

The principal criticism of my Government is directed  
in the first place against compulsory pilotage at an excessive  
tariff, which is contrary both to the treaties and to the  
regulations of 1868 regarding pilotage. Likewise certain  
provisions have as their object the establishment of dis-  
crimination in favor of Japanese trade, such as the exemption  
in favor of Japanese chartered vessels and the exclusion of  
the Whampoa zone from the regulations in question.

In protesting to Your Excellency against these regula-  
tions I have the honor to request you to be good enough to  
intervene

His Excellency  
Mr. Hachiro Arita,  
Minister for Foreign Affairs,  
etc.etc.etc.  
Tokyo.

-2-

intervene with the competent Japanese authorities in order to obtain their annulment.

Accept, Mr. Minister, the assurances of my very high consideration.

(Signed) Charles Arsène-Henry.

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

Enclosure no. 3 to despatch  
no. 4706 dated May 14, 1940,  
from the Embassy at Tokyo.

(With the compliments of the British Embassy to the  
American Embassy, May 14, 1940).

Sir Robert Craigie, British Ambassador, to Mr. Hachiro  
Arita, Minister for Foreign Affairs.

No. 98(25/72S(1)/40)

BRITISH EMBASSY,  
Tokyo,  
10th May, 1940.

Your Excellency,

I have the honour, under instructions from His  
Majesty's Principal Secretary of State for Foreign  
Affairs, to draw Your Excellency's attention to the  
temporary regulations of the Pearl River Pilotage Serv-  
ice which came into force on February 1st 1940.

Although these regulations purport to be a temporary  
measure of a military nature, they contain objectionable  
features which it is believed that the Japanese authori-  
ties intend to perpetuate when the River is reopened to  
foreign shipping. The measures to which principal objection  
is taken are (a) the imposition of compulsory pilotage  
at excessive rates contrary both to treaty provisions and  
to the 1868 Pilotage Regulations, and (b) certain provisions  
calculated to produce discrimination in favour of Japanese  
trade, such as the exemption of Japanese chartered vessels  
and the exclusion of Whampoa from the regulations.

In entering a formal protest against these regulations,  
I have the honour to express the hope that Your Excellency  
will be good enough to use your influence with the Japanese  
authorities

His Excellency  
Mr. Hachiro Arita,  
His Imperial Japanese Majesty's  
Minister for Foreign Affairs.

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

-2-

authorities to bring about their cancellation.

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

(Sd) R. L. Craigie.



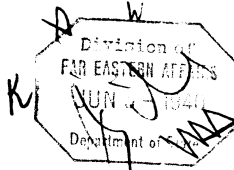
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Blumstein NARS, Date 12-18-75

No. 353

RECEIVED  
AMERICAN CONSULATE

Tsingtao, China, April 26, 1940.

1940 JUL 10 AM 11 58



SUBJECT: Satisfactory Experience of Two British  
Ships Loading Cargo both Night and Day  
at Tsingtao.

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THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

COPIES SENT TO  
O.N.I. AND M.I.D.  
June 13, 1942

793.94112/373  
COMMERCIAL AFFAIRS  
Department of State

2  
JUN 23 1940  
SUB:  
DIVISION OF  
COMMERCIAL AFFAIRS

I have the honor to refer to my despatch no. 319/335 of January 15, 1940, file no. 815.6, subject: Further Harbor Facilities at Tsingtao Given to Vessels of All Nationalities, and to report the recent experience of two British Blue Funnel Line ships which called at Tsingtao to take on a cargo of frozen egg products.

Summary

A marked improvement has taken place in respect to the treatment accorded British shipping at this port. This Consulate anticipates that the improvement will continue, not only for British but for all foreign shipping.

Both the agents for the ships and the egg shippers expressed their satisfaction with the handling of the cargo and stated that in working night and day the cargo was loaded as quickly and as efficiently as it ever had been in the past. The S.S. Aeneas called at Tsingtao on April 8, 1940 in the early afternoon

793.94112/373

F/A

- 2 -

afternoon and after loading 916 tons of egg products departed on April 10 at 4 P.M. The S.S. Deucalion experienced similar satisfactory dispatch when it arrived on April 21, 1940 at 9:30 A.M. and cleared the next morning at 7:30 A.M. with a Tsingtao egg cargo of 457 tons.

The experience of these two British ships would seem to indicate that the arrangements for handling cargo have been improved. These ships are the first to load cargo at night since the announcement on January 13, 1940 by the Japanese Consulate General at Tsingtao that loading and unloading facilities would be available at night. All those concerned have reported that they have no complaints to make and that the loading operations were carried on without any delay.

In view of the difficulties encountered at Tsingtao in the past by cargo ships, especially British, it is interesting to note the experience of the S.S. Aeneas and the S.S. Deucalion. Whether it reflects the new "similarity of objectives" between Japan and Great Britain as found by Sir Robert Craigie in his speech at Tokyo on March 28 last, or whether it reflects a genuine desire on the part of the Japanese to facilitate the handling of shipping at Tsingtao, it is too early to observe. It may be stated that the shipping companies hope that with the transfer last month of Captain Tanimoto, Chief of the Japanese Naval Special Mission, who was felt to

- 3 -

to be particularly anti-British, the improvement as respects the position of British shipping in Tsingtao will continue.

Respectfully yours,



Samuel Sokobin,  
American Consul.

815.6/885  
SS:RHD/AD

Original and 4 copies to Department,  
Copies to Embassies, Peiping, Chungking, Tokyo.  
Copy to Consulate General, Shanghai.

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

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In U.S.A.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

*OK, MLD*

RE-OPENING OF THE PEARL RIVER;  
EFFECT AT HONG KONG

From:

*John H. Bruins*  
John H. Bruins  
American Consul

COMMERCIAL AFFAIRS  
Department of State

JUN 19 1940

DIVISION OF

*H* Hong Kong

Date of Completion: May 9, 1940

Date of Mailing: May 9, 1940

Approved:

*Addison E. Southard*  
Addison E. Southard  
American Consul General

733.94112/374

F/A

- 1 -

Practical Effect Negligible:

A number of discreet inquiries have just been made among Hong Kong officials and key business men as to the practical effect of the "re-opening" of the Pearl River to commercial traffic on April 20, 1940. The elapse of only a fortnight has precluded the existence of any statistical data on the subject. Opinion, however, has seldom been so unanimous, and may be summarized as "a mere political gesture with practically no positive effect on business or shipping to date."

Sailings and Cargoes Not Increased:

The above opinion is concurred in by all of the leading shipping firms in Hong Kong including the local agents of the large American and Canadian trans-Pacific lines, all of whom are definitely interested in traffic originating in Canton and other Pearl River points. Messrs. Butterfield and Swire, operators of the single existing commercial steamer service between Hong Kong and Canton, also state that (1) the number of their sailings on this route has not increased, (2) the Japanese requirement that a Japanese stevedoring concern be used at Canton has caused them to refuse all cargo out of Hong Kong other than passengers' personal baggage, (3) that they have lodged a protest against this requirement, and (4) they are not sanguine as to any early improvement in the situation.

Hong Kong's Transit Trade Continues Regardless:

Hong Kong's interest in the transit trade with

South

- 2 -

South China is a vital one. While the Pearl River, Canton, et cetera, are the normal and most convenient routes for a large part of this traffic, alternative routes and methods do exist. As indicated by several reports from this office, the transit trade through Hong Kong with China was greater in 1939 than in 1938 despite the "closing" of the Pearl River throughout 1939. Thus it is evident that other routes and means have been developed. The trade has also increased by leaps and bounds during the first quarter of 1940. A recent conversation with the (British) Collector of Chinese Customs at Hong Kong confirms that the surreptitious lighter traffic with connivance of the Japanese navy continues and increases. This goes on in spite of the authority recently given to the Hong Kong Harbour Master to refuse permission to tugs to clear for Chinese delta ports such as Nantau, which are technically under Japanese jurisdiction. (See Hong Kong telegram No. 80 of March 14, 4 P.M.) It is authoritatively learned that only a very limited use has been made of this authority. In other words, there are re-routings and inconveniences, but business goes on in greater volume than before the "closing" of the river toward the end of 1938. The conclusion is obvious: As long as trade volume holds up, the British interests, in view of their pre-occupation with other problems, are not concerning themselves greatly with the technical correctness or treaty-legality of the present position. For the present, it appears

to

- 3 -

to be mainly a matter of academic interest to Hong Kong traders whether the Japanese choose to call the river open or closed.

1/

Press comment has been rather voluminous. It is fairly well summed up by an item in the usually reliable "South China Morning Post" of April 20, 1940, the date of the "re-opening." This is enclosed. It will be noted that the sentiments expressed therein continue to coincide with the above-reported opinions obtained two weeks later.

✓  
Enclosure:

- 1/ Copy of item from "South China Morning Post" of April 20, 1940.

800  
JHB:bb

Distribution:

In quintuplicate to the Department  
Copy to American Consulate General, Shanghai  
Copy to American Consulate General, Canton

Sources of Information:

Interviews with directors of leading shipping concerns and business houses in Hong Kong.  
Hong Kong Harbour Master  
(British) Collector of Chinese Customs at Hong Kong  
Press comments

4 *J. J. M.*

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

Enclosure No. 1 to Report dated May 9,  
1940, from John H. Bruins, American Consul  
Hong Kong, on the subject, "Re-opening of  
the Pearl River; Effect at Hong Kong."

South China Morning Post

Saturday, April 20, 1940

The Japanese announcement regarding the reopening of the Pearl River between Hongkong and Canton as from to-day creates no new change in the present situation, British shipping circles in the Colony said yesterday.

"The new arrangement is supposed to be the opening of the river between the Colony and Canton, but mention is made of the extremely valuable coastal connections with Canton," one shipping firm pointed out.

There is no intention of increasing the number of ships allowed on the River as they will be still confined to the one British river steamer and two Japanese a week. There is doubt as to whether the ships will be able to accelerate their schedule and run a larger number of ships.

The Canton Daily Sun has issued what purports to be an authoritative statement of cargoes which may or may not be loaded without the authority of the Japanese Government. All articles customarily imported and exported still remain on the prohibited list.

"There is no benefit in the announcement for anyone. It only tends to perpetuate a highly unsatisfactory temporary agreement made last year between the British Consular authorities and the Japanese authorities

in



- 2 -

in Canton," it was pointed out.

"The announcement has been made as a gesture so that the Japanese can gain political face with Third Powers.

"While the Japanese restrictions permit only one British river steamer and two Japanese river steamers on the Pearl River, there are two Japanese coastal steamers discharging cargoes at Whampoa on the pretence that they are military and naval transports."

A true copy of  
the signed original  
1317

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 11, 1940

~~WAA:~~

~~WAA:~~

Canton's despatch no. 169, May 14, 1940,  
entitled "Reopening of the Pearl River;  
Restrictions on Shipping".

This despatch summarizes the negotiations which have been going on between the Japanese Consul General and the British Consul General for the carrying of cargo between Hong Kong, Macao and Canton by vessels now engaged in passenger carriage between these ports. These arrangements are not yet in effect, primarily because the British have objected to a Japanese demand that Japanese soldiers be stationed on the British shipping company's property allegedly to prevent smuggling. The British also object to a Japanese stipulation that all handling of goods between ships and godowns and lighterage be restricted to members of the Japanese sponsored and controlled Stevedore and Godown Association. It is stated that the Japanese Consul General was apparently endeavoring to find a satisfactory solution to the matter.

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*Not*  
FE:Krentz:HJN

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

121433

NO. -

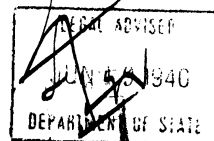
THE FOREIGN SERVICE  
DEPARTMENT OF STATE  
UNITED STATES OF AMERICA

JUN 5 PM 5 30

AMERICAN CONSULATE GENERAL

Canton, China, May 7, 1940.

SUBJECT: Temporary Regulations of the Pearl  
River Pilotage Service.



THE HONORABLE

THE SECRETARY OF STATE

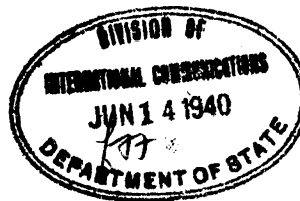
WASHINGTON.

SIR:

I have the honor to enclose herewith copy of  
despatch no. 75 dated May 7, 1940, to the Embassy  
at Peiping on the above subject.

Respectfully yours,

*M. S. Myers*  
M. S. Myers  
American Consul General.



Enclosure:

1/- Copy of despatch no. 75.

*with encl*

In quadruplicate.

882

MSM/ccw

COMMERCIAL AFFAIRS  
Department of State

DIVISION OF  
JUN 18 1940

F/N

No. 75

121434

May 7, 1940.

SUBJECT: Temporary Regulations of the Pearl  
River Pilotage Service.

The Honorable

Nelson Trusler Johnson,  
American Ambassador,  
Peiping.

Sir:

I have the honor to refer to my despatch no. 56 of March 1, 1940, in regard to the Temporary Regulations of the Pearl River Pilotage Service and to enclose a  
1/- copy of the Japanese Consul General's reply of April 23, 1940, to my representations of February 17, 1940, in which he states that the pilotage ground being within the occupied zone of the Japanese forces "where a state of war still exists", it is proper that the responsible authorities "shall deal with and punish any acts harmful to the maintenance of peace and order or to military requirements committed by any national".

2/- There is enclosed a copy of my reply of this date to the Japanese Consul General in which a reservation of all American rights involved was made.

The Embassy's attention is invited to the language used by the Japanese Consul General in his reply to this office which, it is thought, might be interpreted as an assertion of belligerent rights and which would seem to

be

793042/4395

121435

- 2 -

be inconsistent with assurances given by the Japanese Government of respect for the interests and rights of third power nationals.

It may be mentioned that my British Colleague received a letter from the Japanese Consul General in regard to this matter which contained similar statements.

Respectfully yours,

M. S. Myers  
American Consul General.

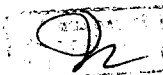
Enclosures:

1. Copy of Japanese Consul General's letter of April 23, 1940.
2. Copy of this office's reply of May 7, 1940.

Original to Embassy, Peiping.  
In quadruplicate to the Department.  
One copy to Embassy, Chungking.  
One copy to Embassy, Tokyo.

882

MSM/ccw



121436

ENCLOSURE NO. 1 TO DESPATCH NO. 75 DATED MAY 7, 1940, FROM  
M. S. MYERS, AMERICAN CONSUL GENERAL, CANTON, CHINA, ON  
THE SUBJECT "TEMPORARY REGULATIONS OF THE PEARL RIVER PILOTAGE  
SERVICE".

C O P Y

JAPANESE CONSULATE GENERAL,  
CANTON.

April 23rd, 1940.

Sir and dear Colleague,

I have the honour to acknowledge the receipt of  
your letter of February 17th, 1940, concerning the  
Temporary Regulations of the Pearl River Pilotage Service,  
and beg to point out that the Regulations were necessitated  
by military requirements and the maintenance of peace and  
order within the occupied area.

The Pilotage Ground of the Pearl River is situated  
within the military occupied zone of the Japanese Forces,  
where a state of war still exists, therefore, it is only a  
matter of course that the area should be placed under the  
control of the Japanese Forces. It is a proper measure  
until the state of war ceases to exist, that the responsible  
authorities shall deal with and punish any acts harmful to  
the maintenance of peace and order or to military require-  
ments committed by any national.

I have the honour to be,

Sir and dear Colleague,

Your obedient servant,

(sd.) Nagao Kita,  
CONSUL GENERAL.

M. S. Myers, Esquire,  
American Consul General,  
Canton.

DECLASSIFIED: E.O. 11652, 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. 75 DATED MAY 7, 1940, FROM  
M. S. MYERS, AMERICAN CONSUL GENERAL, CANTON, CHINA, ON THE  
SUBJECT "TEMPORARY REGULATIONS OF THE PEARL RIVER PILOTAGE  
SERVICE".

C O P Y  
American Consulate General,  
Canton, China, May 7, 1940.

Sir and dear Colleague:

I have the honor to acknowledge receipt of  
your letter of April 23, 1940, in regard to the  
Temporary Regulations of the Pearl River Pilotage  
Service and to state that a copy of your letter is  
being transmitted to the American Embassy at Peking  
for its information.

In this connection, I refer you to my letter  
of February 17, 1940, and wish to add that this matter  
has been the subject of representations to the Japanese  
Government by the American Embassy at Tokyo. Accordingly,  
I desire to reserve all American rights in the premises.

I have the honor to be,

Sir and dear Colleague,

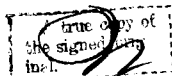
Your obedient servant,

M. S. Myers  
American Consul General.

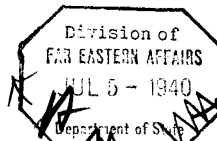
Nagao Kita, Esquire,  
Consul General for Japan,  
Canton, China.

882

MSM/cw



No. 169



AMERICAN CONSULATE GENERAL

Canton, China, May 14, 1940.

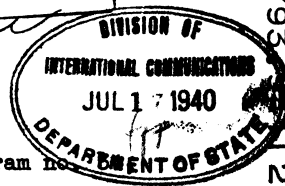
SUBJECT: Reopening of the Pearl River; Restrictions on Shipping.

793.94112

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For	In U.S.A.		

THE HONORABLE  
THE SECRETARY OF STATE  
WASHINGTON.

File



SIR:

I have the honor to refer to my telegram No. 1357 of April 12, 1940, reporting the call of the Japanese Consul General at my office and his leaving with me copies of two memoranda, one of which had been handed to the British Consul General and the other to the Portuguese Consul. These memoranda, copies of which are enclosed, set forth the conditions under which the respective British and Portuguese ships may be operated on or after April 20. It will be noted that in general the two memoranda are similar. It may be pointed out, however, that the memorandum pertaining to British shipping contains a paragraph (No. 5) which is extraneous to the subject matter and that the paragraphs referred to in I (1) of the appendix are embodied in the memorandum relating to Portuguese shipping, viz, in paragraphs 2 to 7 inclusive of the appendix under the heading "Navigation". It is understood that these memoranda contain most of the provisions of the bilateral "temporary agreements" under which

793.94112  
JUL 17 1940  
COMMERCIAL AFFAIRS  
Department of State

A-M/C  
RECORDING DESK  
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- 2 -

which British and Portuguese vessels have been operated in the passenger carrying trade between Hong Kong and Canton and Macao and Canton respectively, and, in addition, contain several new stipulations, particularly the ones asserting the right to inspect such vessels and to place on board two Japanese medical officers. In this connection, it may be pointed out that under the provisions of the memoranda the Pearl River is being reopened only for the carriage of cargo, for the time being, by the ships now engaged in the passenger carrying trade between the above mentioned ports. The ships comprise two small Japanese river steamers, and one British and one Portuguese river steamer.

As was reported in my telegram no. 43 of April 26, 1940 the Japanese handed the British Consul General memoranda setting forth supplementary conditions governing the handling and storage of cargoes at Canton. Copies of the two memoranda in question supplied to me by my British Colleague are enclosed. The one dated April 22 which was apparently also handed to the Portuguese Consul contains in paragraph 7 the stipulation that the loading and unloading of ships, the handling of goods between ships and godowns and lighterage shall be restricted to members of the Japanese sponsored and controlled Canton Stevedore and Godown Association which shipping companies of third power nationals have been invited to join. The other memorandum dated April 24 contains the demand that Japanese soldiers or gendarmes be stationed on the property of the British shipping company and a threat that unless the demand is accepted the Japanese memorandum of April 12, 1940 (Enclosure No. 1) permitting the

- 3 -

the transportation of cargo between Canton and Hong Kong will not be put into effect. The prevention of smuggling was given as the reason for both of these provisions. The British authorities consider the above provisions as unacceptable and hold that the bilateral "temporary agreement" under which the British ship has been operating as a passenger carrier between Hong Kong and Canton is still in effect. For the time being, the British ship is carrying passengers and their baggage but not stores for the foreign community as was permitted under the "temporary agreement". According to my British Colleague, the Japanese Consul General is endeavoring to find a satisfactory solution of the matter.

The British Consul General also informed me that the whole subject of restrictions on shipping and trade (the latter having been reported in my despatch no. 163 of April 19, 1940 under the subject "Resumption of Normal Activities of Customs; Provisional Procedure for Passing Certain Contraband, Prohibited and Restricted Articles"; had been reported to his Government and that he understood that the British Ambassador at Tokyo had been authorized at his discretion to make representations to the Japanese Government. The Consul General, however, was not aware whether representations had actually been made.

In summary, the memorandum of the Japanese Consul General of April 12, 1940, permitting the transportation of cargo by certain river steamers between Hong Kong and Canton is not as yet in effect primarily because the British authorities are unwilling to accept Japanese restrictions on the handling and lighterage of cargo carried by

British

- 4 -

British shipping and because the Japanese demand that a small unit of Japanese soldiers be stationed on the property of the British shipping company for the alleged purpose of preventing the smuggling of cargo into the unoccupied area. The Japanese Consul General is apparently endeavoring to find a satisfactory solution of the matter.

Respectfully yours,

  
M. S. Myers  
American Consul General.

4 ✓  
Enclosures:

- 1/2- Copies of Memoranda setting forth the conditions under which British & Portuguese ships may be operated on or after April 20.
- 3/- Copy of Memorandum dated April 22, 1940.
- 4/- " " " " " 24, 1940.

880/800

MSM/ccw

Original and five copies to the Department.  
One copy to Embassy, Peiping.  
One copy to Embassy, Chungking.

Enclosure No. 1 to Despatch No. 169 dated May 14, 1940,  
from M. S. Myers, American Consul General, Canton, China,  
on the Subject "Reopening of the Pearl River; Restrictions  
on Shipping".

C O P Y

M E M O R A N D U M

1. The Japanese Authorities in Canton are prepared to permit the loading of cargoes on those British vessels which are at present navigating between Canton and Hongkong under the terms of the agreement in connection with navigation of the Pearl River by certain British vessels, initialled by Mr. Blunt and Mr. Okazaki on July 4th, 1939, as subsequently modified by the supplementary agreements initialled by Mr. Toller and Mr. Kita on December 1st and December 19th, 1939, respectively.
2. The Japanese Authorities are also prepared to dissolve the Government charter of the "Shirogane-maru" and "Kaishu-maru" which are in shuttle service between Canton, Hongkong and Macao.
3. Those British and Japanese vessels referred hereby shall be subjected to restrictions of the Japanese Forces in Canton, necessitated by military requirements or by measures for preserving peace and order on and around the Pearl River.  
  
Such vessels shall not take in such cargoes which are or will be prohibited or restricted by the Japanese Forces in view of military necessity or of preserving peace and order within the occupied area.  
  
The restrictions of navigation, cargoes and passengers are detailed in the appendix.
4. Those vessels shall abide by all laws and regulations concerned issued by the Chinese Authorities.
5. In this connection, the Japanese Authorities in Canton request the Shansien British Municipal Authorities to further cooperate in controlling anti-Japanese activities, for instance, such activities as tend to disturb the money market from within the said concession. The Japanese Authorities also request the Hongkong Government and the Far Eastern Headquarters of the British Navy to pay favorable consideration to the reopening of the west channel of the Hongkong harbour in order to facilitate the navigation of such vessels between Canton and Hongkong.

APPENDIX

- 2 -

APPENDIX

Restrictions, necessitated by military requirements or by measures for the preservation of peace and order, imposed by the Japanese Forces upon British and Japanese vessels navigating the Pearl River.

I. NAVIGATION.

- (1) Such vessels shall abide by such restrictions and conditions of navigation mentioned in paragraph (d) to paragraph (j) of Article 5 of the agreement initialled by Mr. Blunt and Mr. Okazaki on July 4th, 1939.
- (2) Such vessels shall navigate the main stream of the Pearl River via the south waterway between Canton and Bocca Tigris.
- (3) Such vessels shall cease wireless communication during their navigation between Canton and Bocca Tigris.
- (4) During the navigation of the Pearl River by such vessels, no person on board shall take any photograph.
- (5) Without specific reason, such vessels shall not stop during their navigation of the Pearl River.
- (6) Should the Japanese Forces find it necessary to halt, inspect or search such vessels, even during their navigation of the Pearl River, such vessels shall comply with the orders issued by them.
- (7) Two members of the Japanese medical authorities may be on board such vessels between Bocca Tigris and Canton.

2. PASSENGERS AND CARGOES.

- (1) inspection of cargoes shall be carried out at places designated by the Japanese forces (for example, Customs godowns).
- (2) Any person regarded as harmful to the preservation of peace and order by the Japanese Authorities shall be placed under arrest or be prevented from landing.
- (3) The goods, which are or will be prohibited or restricted by the Chinese Authorities or Japanese Forces, shall not, without the permit issued by the Authorities concerned, be loaded on or unloaded from such vessels.

-O-O-O-O-O-O-O-O-

Copied by caw

Enclosure No. 2 to Despatch No. 169 dated May 14, 1940 from M. S. Myers, American Consul General, Canton, China, on the Subject: "Reopening of the Pearl River; Restrictions on Shipping".

C O P Y

M E M O R A N D U M

1. The Japanese Authorities in Canton are prepared to permit the loading of cargoes on those Portuguese vessels which are at present navigating between Canton and Macau under the terms of the existing agreement.
2. The Japanese Authorities are also prepared to dissolve the Government charter of the "Shirogane-maru" and "Kaishu-maru" which are in shuttle service between Canton, Macau and Hongkong.
3. Those Portuguese and Japanese vessels referred to above shall be subjected to restrictions of the Japanese Forces in Canton, necessitated by military requirements or by measures for preserving peace and order on and around the Pearl River.  
Such vessels shall not take in such cargoes which are or will be prohibited or restricted by the Japanese Forces in view of military necessity or of preserving peace and order within the occupied area. The restriction of navigation, cargoes and passengers are detailed in the appendix.
4. These vessels shall abide by all laws and regulations concerned issued by the Chinese Authorities.

APPENDIX

- 2 -

#### A P P E N D I X

Restrictions, necessitated by military requirements or by measures for the preservation of peace and order, imposed by the Japanese forces upon Portuguese and Japanese vessels navigating the Pearl River.

##### I. NAVIGATION.

1. When Portuguese vessels may call at Canton, at least 48 hours previous notice will be given to the Japanese Consul-General at Canton for agreement, and reply will be given as soon as possible.
2. A Japanese pilot will be on board the vessel between Canton and Bocca Tigris. Reasonable pilotage fees may be charged.
3. Navigation through the Pearl River will be limited to day-time.
4. No call shall be made by such vessels between Canton and Macau.
5. When military necessity requires, the Japanese Authorities may temporarily close the Pearl River to such vessels.
6. Such vessels will navigate at their own risk.
7. Such vessels shall adjust their speed in the Pearl River so that they will not cause inconvenience or danger to small craft.
8. Such vessels shall navigate the main stream of the Pearl River via the south waterway between Canton and Bocca Tigris.
9. Such vessels shall cease wireless communication during their navigation between Canton and Bocca Tigris.
10. During the navigation of the Pearl River by such vessels, no person on board shall take any photograph.
11. Without specific reason, such vessels shall not stop during their navigation of the Pearl River.
12. Should the Japanese Forces find it necessary to halt, inspect or search such vessels, even during the navigation of the Pearl River, such vessels shall comply with the orders issued by them.
13. Two members of the Japanese medical authorities may be on board such vessels between Bocca Tigris and Canton.

##### II. PASSENGERS AND CARGOES.

1. Such vessels may carry passengers and cargoes of all nationalities but list of intending passengers will be

given

--3--

given to the Japanese Consul-General as long as possible in advance, and the passage of individual passengers may be subject to his veto. But he shall not without reason given withhold consent. No objection will be made to verification of the passengers and examination of their cargoes by the Japanese Authorities in Canton.

2. Any person regarded as harmful to the preservation of peace and order by the Japanese Authorities shall be placed under arrest or be prevented from landing.

3. For quarantine purposes the Japanese Medical Authorities at Canton may examine passengers when necessary.

4. Inspection of cargoes shall be carried out at places designated by the Japanese Forces (for example, Customs godowns).

5. The goods, which are or will be prohibited or restricted by the Chinese Authorities or Japanese Forces, shall not, without the permit issued by the Authorities concerned, be loaded on or unloaded from such vessels.

-O-O-O-O-O-

Copied by c w



Enclosure No. 3 to Despatch No. 169 dated May 14, 1940, from  
M. S. Myers, American Consul General, Canton, China, on the  
Subject "Reopening of the Pearl River; Restrictions on Shipping.

C O P Y

SUPPLEMENTARY MEMORANDUM IN CONNECTION WITH THE  
PERMITTING OF THE LOADING OF CARGOES ON THOSE BRITISH  
AND PORTUGUESE VESSELS WHICH ARE AT PRESENT NAVIGATING  
BETWEEN CANTON AND HONGKONG OR MACAU ADDRESSED TO THE  
BRITISH CONSULATE GENERAL AND PORTUGUESE CONSULATE AT  
CANTON ON APRIL 12, 1940.

1. Wharves to be used by such vessels:

- (a) For s.s. "Fatshan", the middle pier of the Butterfield  
& Swire Wharf.
- (b) For s.s. "Shing Cheong", the China Navigation &  
Steamship Company's Wharf (招商局碼頭).

2. Godowns to be used:

Two sheds of the Butterfield & Swire's godowns and one  
shed of the China Navigation and Steamship Company's godowns  
shall be used by the British and Portuguese shipping companies  
concerned respectively as Customs sheds in order to store such  
goods that have not yet passed Customs inspection. As soon as  
inspection is over, goods should be carried out of the sheds.

3. Procedures for discharging cargoes, Customs inspection  
and the transportation of cargoes to land.

(a) Cargoes of the s.s. "Fatshan" shall be discharged and  
carried into the godown of the Butterfield & Swire's wharf.  
After Customs inspection the cargoes may be transported by land  
or river, in the latter case they shall be unloaded at the  
Shing Cheong Wharf.

(b) Cargoes of the s.s. "SHING CHEONG" shall be discharged  
and carried into the godown of the China Navigation & Steam-  
ship Company. After Customs inspection, the cargoes may be  
transported by junks or other small crafts to the Shing Cheong  
Wharf for landing.

4. Procedures of loading cargoes are the same as described  
in Article 3.

5. Period of cargo inspection.

Inspection of cargoes at each wharf will not be carried  
out during such period, as at night, when navigation within  
the port is prohibited.

6. Period

- 2 -

6. Period within which transportation of cargoes is permitted.

Transportation of cargoes will be prohibited irrespective of whether by land or river from the godown of the Butterfield & Swire during such period when navigation within the port is prohibited.

7. In order to prevent smuggling of goods into the unoccupied area, and as the Japanese Authorities in Canton permit loading and unloading of cargoes to or from such vessels or to transport them by junks, sampans and small vessels in the port of Canton to the Canton Stevedore & Godown Association, No. 12, Taiping Road, Canton, shipping or similar companies belonging to third power nationals in Canton are requested to join the Association.

4/22/40

Copied by ccw

Enclosure No. 4 to Despatch No. 139 dated May 14, 1940,  
from M. S. Myers, American Consul General, Canton, China,  
on the Subject "Reopening of the Pearl River; Restrictions  
on Shipping".

C O P Y

In order to prevent the smuggling of cargoes into the unoccupied area, and owing to the fact that any place outside of the Butterfield & Swire Wharf is impractical from the viewpoint of effectively watching the removal of cargoes from the steamer into the godowns or from the godowns to small crafts gathering at the wharf, the Japanese detachment and gendarmes on the spot will always send a small unit of soldiers to stay in the compound of the wharf for the purpose of watching.

Until the above proposal is accepted by the British Authorities or the Shipping Company concerned, the Japanese forces cannot see their way to put the Memorandum addressed to the British Consulate-General by the Japanese Consulate-General on April 12th, 1940, concerning the permitting of the loading of cargoes on such steamers plying between Canton and Hongkong, into operation.

(Handed to Mr. Toller by Mr. Kita on 24/4/40)

Copied by ccw

~~HER~~  
~~SA~~  
~~WHA~~  
~~JWB~~

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

July 11, 1940

Tokyo's despatch no. 4734, May 31, 1940,  
"Reopening of the Pearl River to Third-Power  
Navigation".

This despatch encloses a copy of a communica-  
tion from the British Embassy to the Japanese  
Ministry of Foreign Affairs on May 20, 1940.

The British Embassy reports a protest by  
the British Consul General, Canton, against  
certain conditions which the Japanese have made  
as a prerequisite to permitting British vessels  
to carry cargo on the Pearl River. Two condi-  
tions were mentioned:

- (1) Stationing of gendarmerie in compound  
above British company's wharf (reportedly to  
prevent smuggling);
- (2) Transport of all goods from ship to  
godown through a lighter and stevedore monopoly.

The British Consul General refused to  
entertain the demand, stating that the immunity  
of British property is a matter of principle.

793.94112/377

IBW  
FE:White:HJN



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

AMERICAN EMBASSY  
Tokyo, May 31, 1940

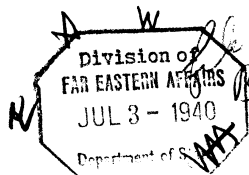
No. 4734.

SUBJECT: REOPENING OF THE PEARL RIVER TO THIRD-POWER  
NAVIGATION.

RECEIVED  
DEPARTMENT OF STATE

1940 JUL 2 PM 2

SECTION OF  
NAVIGATION  
AND RECORDS



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The Honorable

The Secretary of State,  
Washington.

COPIES SENT TO  
O.N.I. AND M.I.D.  
July 9. 1940

Sir:

I have the honor to transmit for the Department's  
1/ information and records a copy of a communication left  
at the Japanese Ministry of Foreign Affairs by the British  
Embassy on May 20, 1940, with regard to the reopening  
of the Pearl River to third-power navigation.

Respectfully yours,

*Joseph C. Grew*

Joseph C. Grew

Enclosure:

1/ as stated.

710  
ESC:nn

Original and 2 copies to the Department.  
Copy to Embassy, Peiping.  
Copy to Embassy, Chungking.  
Copy to Consulate General, Canton.  
Copy to Consulate General, Hong Kong.

793.94112/377

F/N

Enclosure No. 1 to despatch  
No. 4734 dated May 31, 1940,  
from the Embassy at Tokyo.

(Courtesy of the British Embassy to the American Embassy.  
Received May 25, 1940.)

BRITISH EMBASSY

Tokyo

Left at Ministry of Foreign Affairs  
on May 20th, 1940.

His Majesty's Consul-General at Canton reports that although the Japanese Authorities have stated that the Pearl River is being reopened, they are making it dependent upon certain demands. Among other things they demand agreement to the stationing of a detachment of gendarmerie in the compound above Messrs. Butterfield and Swire's wharf, the reason given being to prevent smuggling into unoccupied China. Until this proposal is accepted the memorandum of April 12th regarding permission for British ships to carry cargo will not be put into force. It also appears that a lighter and stevedore monopoly has been established which claims the sole right to transport goods from ship to Messrs. Butterfield and Swire's own godown and will not allow the firm's own coolies to handle them. Mr. Toller has protested orally to his Japanese colleague against this attempt to extend Japanese control over British shipping under the guise of a step towards opening the river and has refused to entertain the demand, stating that the immunity of British property is a matter of principle.

~~HCN~~  
~~HA~~  
~~WAA~~  
~~JWB~~

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 12, 1940

Tokyo's despatch no. 4754, June 6, 1940,  
"Difficulties Encountered by British Shipping  
in the Use of the Port of Tsingtao".

The Embassy encloses a communication from  
the British Embassy to the Japanese Ministry of  
Foreign Affairs, dated May 22, 1940, transmitting  
two memoranda on this question. The Embassy  
also encloses for the completion of the Depart-  
ment's files earlier communications on the  
subject.

The British Embassy, after mentioning two  
cases of improvement in treatment to British  
shipping interests, expresses disappointment  
regarding failure to provide adequate wharf  
facilities at Tsingtao and alleges anti-British  
discrimination. The communication states that  
". . . while His Majesty's Government has so  
far been able to damp down public criticism,  
the situation has recently been the subject of  
questions in Parliament".

793.94112/378

<sup>TBW</sup>  
FE:White:HJN

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



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

Copy in FE

AMERICAN EMBASSY

Tokyo, June 6, 1940.

No. 4754

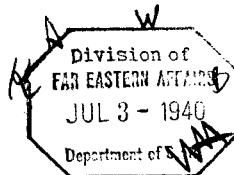
SUBJECT: DIFFICULTIES ENCOUNTERED BY BRITISH SHIPPING  
IN THE USE OF THE PORT OF TSINGTAO.

793.94112

RECEIVED  
DEPARTMENT OF STATE

1940 JUL 2 PM 3 14

DIVISION OF  
COMMUNICATIONS  
AND RECORDS



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

July 9. 892

The Honorable

The Secretary of State,  
Washington.

Sir:

I have the honor to transmit herewith copies of  
several documents furnished us by the British Embassy  
having to do with the series of difficulties encountered  
by British shipping in the use of the port of Tsingtao.

1/ The first enclosure is a communication dated May 22, 1940,

from

793.94112/378



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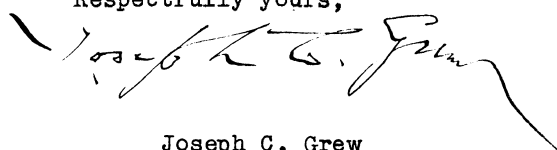
-2-

from the British Embassy to the Japanese Ministry of Foreign Affairs transmitting two memoranda setting forth the position at Tsingtao in regard, first, to the wharf accommodation, and secondly, to the pressure exerted on shippers by the local authorities to give preference to Japanese as against British vessels.

- For the completion of the files in this matter there
- 2/ are also transmitted a copy of a Note Verbale addressed by the British Embassy to the Japanese Government dated November
  - 3/ 10, 1939, a copy of the reply of the Japanese Government thereto, dated January 20, 1940, and a copy of the British
  - 4/ Embassy's rejoinder thereto, dated April 15, 1940.

It will be observed that despite the fact that this situation with regard to the use of wharf facilities and anti-British discrimination has been the subject of extended discussion between the two Governments, there are few signs of improvement to date. The Embassy will continue to report on this subject as developments take place.

Respectfully yours,



Joseph C. Grew

Enclosures:

1/, 2/, 3/ and 4/ as stated.

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ESC:gt

Original and 3 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. Qualen NARS, Date 12-18-75

Enclosure No. 1 to despatch  
No. 4754 dated June 6, 1940,  
from the Embassy at Tokyo.

(Courtesy of the British Embassy to the American Embassy.  
Received May 25, 1940.)

BRITISH EMBASSY

Tokyo

Communicated to Ministry of Foreign Affairs on  
May 22, 1940.

The two Memoranda enclosed herewith set out the present position at Tsingtao in regard, first, to wharf accommodation, and, secondly, to the pressure exerted on shippers by the local authorities to give preference to Japanese as against British vessels.

It had been hoped that the present improvement in Anglo-Japanese relations would not be without effect on the situation at Tsingtao, which has in recent months been particularly unsatisfactory. Signs of such an improvement have, in fact, now been seen. In the first place Mr. J. F. Magill, representative at Tsingtao of Lloyd's Register of Shipping, who had been refused a pass to enable him to visit British ships in the port, has now, after negotiations between His Majesty's Consul-General and his Japanese Colleague, received a pass enabling him to visit all British vessels in Tsingtao. Secondly, Messrs. Jardine, Matheson, and Company, and Messrs. Butterfield and Swire have now received permission to use their launches in the harbour at Tsingtao after a considerable period during which this was forbidden by the local authorities. This

satisfactory

-2-

satisfactory outcome is attributed to the intervention of the Ministry of Foreign Affairs, whom His Majesty's Embassy approached on the subject in their Note Verbale No. 219 of the 10th November, 1939.

It is, therefore, all the more disappointing to observe that the situation regarding wharf facilities and anti-British discrimination shows such scanty signs of improvement. This matter cannot fail to cause profound concern in the United Kingdom, and, while His Majesty's Government have so far been able to damp down public criticism, the situation has recently been the subject of questions in Parliament. The Japanese Government will presumably already have observed the contrast between the obstacles encountered by British shipping at Tsingtao and other ports in obtaining a fair share of the carrying trade and the sympathetic treatment which the Japanese Government have themselves requested for their shipping needs in connexion with the proposed requisitioning of British, Norwegian and Danish vessels.

MEMORANDUM I.

Wharf situation at Tsingtao

As stated in the Embassy's Note Verbale No. 85 of the 15th April, this situation continues to be highly unsatisfactory. Until May 4th No British vessel had received permission to proceed to the additional berths which the Japanese authorities declared open to Third Power vessels on the 13th January last, although permission has been sought on several occasions when it was a well-known fact that they were vacant and not immediately required by other vessels. The godowns similarly declared open on the same day have not yet been made available to receive cargoes from British vessels. The first vessel of a Third Power to receive access to these facilities was the Danish M.V. "Muinam", which arrived on the 20th March, more than two months after they had, in theory, been made available. The actual position regarding wharf facilities available to British vessels at Tsingtao will be shown by the following examples.

On the 26th February a British Shipping firm enquired if they could have two berths for coasting vessels arriving on the 27th, and the Wharf Company replied in the affirmative, stating that the two berths conceded in 1939 for Third Power Vessels would be available for their use. After the arrival of both vessels, the Agents were notified that one berth only was available, the other being out of action owing to

a/

- 2 -

a damaged fender". A request was therefore submitted for permission to use one of the two additional berths - known to be unoccupied - which were thrown open to Third Power vessels on the 13th January, but this request was refused on the plea that "other vessels were expected".

One British vessel which arrived on the 20th February had to wait until the 22nd before securing a berth at the wharf although it was promised on the morning of the 21st. Another British vessel which arrived on the 22nd was obliged to discharge her cargo at the Back Bay Anchorage. One of the two wharf berths was unoccupied, but when they applied for it the Agents were informed that it was being reserved for a Norwegian vessel, under charter to Japanese interests, which arrived a day later.

During the week ending on 12th March two British vessels and one Norwegian under charter to Japanese interests entered the port of Tsingtao. Of these, one British and the Norwegian were accommodated at the wharf berths allotted to Third Power Shipping in March 1939. The open storage space adjacent to these two wharf berths was so overtaxed with cargo that, while a wharf berth was available for the second British vessel, there was no space available for the storage of her cargo, and she was, therefore, obliged to discharge into lighters at the Back Bay Anchorage.

During the subsequent week four British

coasting/

- 3 -

coasting vessels called at the Port, of which three went alongside the wharf allotted to Third Power Shipping in March 1939. The fourth vessel, which arrived on the 17th March, was obliged to discharge at the Back Bay Anchorage although it was observed that there were no less than four vacant berths at the wharves, one at the No. 1 Wharf and three at the No. 2 Wharf. At the No. 1 Wharf - the allotted berths - there was considerable cargo congestion, which, however, was not the case at the No. 2 Wharf, where there was ample open storage and godown storage available.

The following statistics show the position as it affected British vessels since the Wharves were first opened to Third Power Shipping on the 23rd March 1939.

	<u>Berthed at Wharf</u>	<u>Berthed at Back Bay Anchorage</u>	<u>Total</u>
From March 25 to Aug. 31, 1939	61	76	137
" Sept. 1 to Oct. 31, 1939	-	41	41
" Nov. 1, 1939 to Feb. 29 1940	35	30	65

During February last the situation remained equally unsatisfactory. Out of 12 foreign ships which called during February, 4 had to work at the Back Bay Anchorage, and the 8 which got alongside waited an average of two and a half days each for the one berth, without godowns, which is available - though not always - for Third Power vessels. This tends to confirm verbal hints which are reported to have been made by the Japanese wharf personnel, to the effect that only one foreign ship/

- 4 -

ship would be accommodated at a time and that in any case foreign vessels could not expect access to the other two berths, with godowns, which were stated to have been thrown open from 13th January 1940.

The situation therefore is that of the four coasters' berths Japanese vessels use three and Third Power vessels are sometimes allowed to use the remaining one. Thus while all Japanese vessels are assured of wharf berths, the position is just the reverse with Third Power vessels. Not until the arrival of the latter are Agents told if they are to be given berths at the wharves. This uncertainty operates to the serious disadvantage of Third Power Shipping interests, which are not in a position to give a guarantee to their shippers at ports of shipment that their cargo will be discharged at the wharves. The Japanese Companies can give this guarantee, and shippers are therefore assured that they will not be called on to defray the cost of landing their cargo by lighters, with all the attendant risks, at the Back Bay Anchorage, at an additional cost of approximately 8 dollars to 9 dollars per ton.

It has been observed that No. 2 Mole, which has the largest number of berths, with ample godown and open storage accommodation, is not being used to any extent. It is understood that this Mole is looked upon as one of their preserves by the Military Authorities, who also control Nos. 3 and 4, and it may be on this

account/

- 5 -

account that more Japanese vessels are forced to discharge at No. 1, which leads to considerable congestion and prevents Third Power vessels from obtaining use of the berths promised to them at this Mole.

It will be seen from the above information that the treatment to which British and other Third Power Shipping is subjected at Tsingtao is unnecessarily vexatious and amounts to discrimination in favour of Japanese or Japanese chartered vessels.



MEMORANDUM 2.

Discrimination against British  
Shipping at Tsingtao.

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As an instance of the discrimination repeatedly applied against British shipping by the Japanese authorities at Tsingtao the following grave instances may be quoted.

An American Corporation of considerable importance in Shanghai, learning that there were better prospects of British vessels discharging their import cargoes at the wharves in Tsingtao, decided to make a shipment by a British vessel. Their local office, on applying to the Japanese Naval Mission for the necessary import permits, were asked why they had shipped by a British and not by a Japanese vessel, and were told in no uncertain terms that if their further shipments arrived by any other than Japanese vessels they (the consignees) would not be accorded the same favourable importation facilities as applied to cargo when it arrived in Japanese vessels.

On the 15th January last Mr. A. R. Hogg, a British subject in Tsingtao who had been refused permission to ship tallow to Shanghai against exports from Shanghai, was informed by a Japanese official of the Federal Reserve Bank in Tsingtao that he must only ship by Japanese steamers. When Mr. Hogg protested that he was unable to obtain sufficient freight space in Japanese steamers, the official grudgingly granted permission to make the shipment in question, but indicated that permits would be withheld in future if applications were sent in to cover shipments

by/

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

- 2 -

by vessels other than Japanese. A copy of Mr. Hogg's affidavit is enclosed for the confidential information of the Ministry of Foreign Affairs.

COPY.

I, ALFRED ROBERT HOGG, Merchant of 72 Feih sien Road, hereby make oath and say:

On the afternoon of Monday 15th January, 1940, I went to the office of the Federal Reserve Bank in Shantung Road, Tsingtao for the purpose of ascertaining why my application for permission to ship tallow to Shanghai against imports from Shanghai had been refused. During the interview with a Japanese officer of the Bank I was informed by him that I must only ship by Japanese steamers. When I protested that I was unable to obtain sufficient freight space in Japanese steamers he rather grudgingly granted permission but indicated from his general attitude that permits would be withheld in future if applications were sent in to cover shipments by vessels other than Japanese.

Sworn by Alfred Robert Hogg  
at H.B.M. Consulate-General,  
Tsingtao, this 20th day of  
January, 1940

(signed) A. R. Hogg

Before me

(signed) A. J. Martin,

Consul-General.

SEAL.

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

Enclosure No. 2 to despatch  
No. 4754 dated June 6, 1940,  
from the Embassy at Tokyo.

(With the compliments of the British Embassy to the American Embassy. Received February 2, 1940.)

The British Embassy to the Japanese Ministry of Foreign Affairs.

No. 219.

NOTE VERBALE

His Majesty's Embassy present their compliments to the Imperial Japanese Ministry of Foreign Affairs and have the honour to draw attention to the following case:

After permission had been granted by the competent Japanese authorities at Tsingtao for Messrs. Butterfield and Swire to use a launch for the service of their vessels at that port, the Company brought a launch from Shanghai for the purpose and put it into commission on June 11th last. On June 16th, however, the Company's employees were ordered to remove the launch to the small harbour at Tsingtao, where it has been lying ever since, Messrs. Butterfield and Swire having failed to obtain permission from the Japanese naval authorities for its use.

2. As the Company were informed that they should apply for a permit to the Chinese Maritime Customs, His Majesty's Consul-General discussed the matter with Mr. Akatani, Commissioner of Customs, and was informed by him that the harbour where the launch plied did not in fact come under the jurisdiction of the Chinese Maritime Customs, but was under the sole control of the Japanese naval authorities. Mr. Martin then mentioned the question to the Japanese Consul-General on July 17th and enquired further what steps could be taken to restore the permission, formerly granted and then withdrawn by the Japanese authorities, for Messrs. Jardine, Matheson and Company to use a launch for the service

of

-2-

of their vessels. Mr. Kato replied that the port authorities had deprived the latter Company of their launch as a "punishment" for a breach of the regulations in connexion with the issue of a landing permit for a Mrs. H. D. Rodger in July last. It had, however, already been explained to the Japanese authorities that the landing regulations alleged to have been violated had in fact been imposed by the naval authorities at Tsingtao only after the s.s. "Kwaisang", the vessel in which Mrs. Rodger was travelling, had already left Tientsin, that they had not been published in any way, and that the Japanese Consuls-General at Tientsin and Shanghai were unaware of the issue of such regulations. Mr. Kato was understood to be fully aware of these circumstances.

3. As no result was produced by these representations, His Majesty's Consul-General finally took up the question of the launches with Commander Tanimoto, the Naval Officer in Charge of the Resident Naval Office. The latter finally stated that his Office had no objection to the use of Messrs. Butterfield and Swire's launch, provided that the Chinese Maritime Customs had no objection. Mr. Akatani, Commissioner of Customs, however, subsequently stated that he was unable to help in the matter.

4. The fact that Messrs. Butterfield and Swire and Messrs. Jardine, Matheson and Company have been deprived of the use of their launches is the more serious in that no British coasting vessel was able to use the wharves at Tsingtao for a prolonged period since the 9th July last, while only three ocean-going vessels had the use of them during that period. The question of wharfage facilities was taken up by His Majesty's Consul-General at an interview with his Japanese colleague on the 3rd July last, and again by the Commander-in-Chief of the British China Squadron with

Admiral

-3-

Admiral Hibino during the former's visit to Tsingtao from the 8th to 11th August last. Sir Percy Noble pointed out that, out of 21 Third Power coasting vessels which called at Tsingtao during July, only two were able to use the wharf, while the remainder had to discharge at the Back Bay Anchorage, a process which was rendered very slow by a shortage of labour. Embarkation and disembarkation was made particularly difficult for passengers of all nationalities owing to the action of the local naval authorities in forbidding the use of the Companies' launches, as already explained, in view of which it was necessary to use sampans. Admiral Noble further pointed out that delay was being caused to British vessels using the berths at the wharf owing to the preference recently given by the Harbour Department to German ships, instead of to those which had arrived first. These representations also remained without result.

5. British shipping is, moreover, being hampered by increasingly irksome restrictions and regulations relating to permits and quarantine restrictions.

6. The British Embassy have thought it desirable to give the facts of this case in some detail as it is typical of the difficulties which continue to be made for British shipping in Tsingtao. They would be grateful if the matter of Messrs. Butterfield and Swire's launch could be investigated and arrangements made for its early release to the Company to which it belongs.

BRITISH EMBASSY,  
TOKYO.

November 10th, 1939.

Enclosure No. 3 to despatch  
No. 4754 dated June 6, 1940,  
from the Embassy at Tokyo.

(With the compliments of the British Embassy to the American Embassy. Received February 2, 1940.)

The Japanese Ministry of Foreign Affairs to the British Embassy. (Translation)

NOTE VERBALE

No. 14.

The Imperial Japanese Ministry of Foreign Affairs present their compliments to His Majesty's Embassy and have the honour to acknowledge the receipt of their Note Verbale of the 10th November last concerning the release of the launches of British shipping companies at the Port of Tsingtao and the use of the Tsingtao wharves. As a result of an examination of the circumstances on the spot the Ministry have the honour to reply to His Majesty's Embassy as follows:

With regard to Messrs. Jardine, Matheson and Company's launch it was not on account of the case of Mrs. Rodger, who was not in possession of a travelling certificate in July last, that the launch's circulation permit was cancelled and that the launch was detained. Moreover at the time she landed all the shipping companies in Tsingtao had already been notified by the office of the Naval Attaché that certificates were necessary. With regard to the refusal of a circulation permit to Messrs. Butterfield and Swire's launch, owing to the fact that problems have arisen like that of Messrs. Jardine, Matheson and Company's launch being forbidden to navigate, a permit has until now been refused from the point of view of avoiding unnecessary complications. However, as stated below, it has been decided that the Imperial Japanese Authorities will take the occasion of the forthcoming opening of a section of  
the

-2-

the Tsingtao wharves to grant circulation permits, under specified conditions, to the launches of the two companies above mentioned. This fact has already been communicated to His Majesty's Consul-General at Tsingtao.

With regard to the use of the Tsingtao wharves it is believed that His Majesty's Embassy are already aware that in addition to the section which has been open until now, steps have recently been taken by the local military authorities for the opening of a suitable section.

January 20th, 1940.

Seal of Gaimusho.



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. 4754 dated *June 6, 1940.*  
from the Embassy at Tokyo.

(Courtesy of the British Embassy to the American Embassy.  
Received April 22, 1940.)

The British Embassy to the Japanese Ministry of Foreign  
Affairs.

No : 85 (24/72Z(17)/40)

NOTE VERBALE

His Majesty's Embassy present their compliments  
to the Imperial Japanese Ministry of Foreign Affairs,  
and have the honour to refer to the Ministry's Note  
Verbale No:14 of the 20th January last, regarding the  
situation at the port of Tsingtao.

2. In spite of the information contained in the  
last paragraph of the Ministry's Note Verbale under  
reference, regarding the steps taken by the local military  
authorities for the opening of additional wharfage  
facilities for Third Power vessels at Tsingtao. His  
Majesty's Embassy are informed that these facilities  
have not yet in practice become available. They will  
be grateful if early steps may now be taken to give effect  
to this measure.

British Embassy,  
Tokyo,  
April 15th, 1940.

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

July 11, 1940

Tokyo's despatch no. 4756, June 6, 1940,  
"Transportation of Americans to Kiukiang and  
Hankow".

The Embassy encloses two documents on the  
question of transportation between Shanghai and  
Kiukiang and Hankow.

(1) Copy of note from British Embassy,  
Tokyo, to Foreign Office, protesting ban which  
had been placed by Japanese authorities on  
transport of third party nationals between  
Shanghai and Hankow since March 26; allegedly  
"for reasons of military necessity".

(2) Copy of document handed by Mr. Dooman  
on May 31 to the Director of the American  
Bureau, Ministry of Foreign Affairs, protesting  
the same restriction and proposing

a. That Japanese landing permits be issued  
to Americans who could travel to Hankow and way  
ports on American naval vessels, or

b. That adequate transportation facilities  
be provided on Japanese vessels for Americans.

Comment: From Shanghai's telegram of May 31,  
no. 470, it appears that Japanese promised  
adequate facilities on their own transport to  
leave Shanghai between June 5 and 10.

793.94112/379

JAW  
FE:White:HJN

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



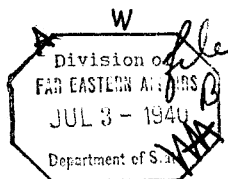
THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Tokyo, June 6, 1940.

No. 4756

SUBJECT: TRANSPORTATION OF AMERICANS TO KIUKIANG AND  
HANKOW.



RECEIVED  
DEPARTMENT OF STATE

1940 JUL 2 PM 3 08

DIVISION OF  
COMMUNICATIONS  
AND TRANSPORTS

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COPIES SENT TO  
C.N.L. AND MAIL  
July 9, 1940

793.94112/379

The Honorable

The Secretary of State,  
Washington.

Sir:

793.94112/367

1/

I have the honor to refer to telegram no. 467, May  
29, 6 p.m., from the American Consul General at Shanghai,  
relating to the transportation of Americans to Kiukiang  
and Hankow, and to transmit herewith a copy of the note  
verbale dated May 30, 1940, addressed by the British Embassy  
to the Japanese Government urging the early removal of the  
ban

F/A

-2-

ban on the granting of passages to third party nationals between Shanghai and Hankow in Japanese transports and by air.

2/

There is also enclosed a copy of the document handed by Mr. Dooman to Mr. Yoshizawa, Director of the American Bureau, Ministry of Foreign Affairs on May 31, 1940, requesting that if it is not the intention of the Japanese Government to reopen the Yangtse River to vessels of third-powers and to permit free travel on the River before June 5, transportation by Japanese vessels sufficient to accommodate all Americans desiring to proceed to Kiukiang and Hankow be provided by the Japanese Government; also that landing permits be issued to American citizens desirous of traveling to Kiukiang and Hankow on American naval vessels.

Respectfully yours,



Joseph C. Grew

Enclosures:

1/ and 2/ as stated.

350

ESC:gt

Original and two copies to the Department.  
American Embassy, Chungking.  
American Embassy, Peiping.  
Consul General, Hankow.  
Consul General, Shanghai.

Enclosure No. / to despatch  
No. 4756 dated June 6, 1940,  
from the Embassy at Tokyo.

(With the compliments of the British Embassy to the American  
Embassy. Received June 3, 1940.)

The British Embassy to the Japanese Ministry of Foreign  
Affairs.

No. 110 (3/74YA (1)/40)

NOTE VERBALE

His Majesty's Embassy present their compliments to  
the Imperial Japanese Ministry of Foreign Affairs and have  
the honour to draw their attention to the situation re-  
garding the passage of Third Power nationals between  
Shanghai and Hankow.

2. As the Ministry are aware, Third Party nationals  
are still dependent for transport between Shanghai and  
Hankow on the grant of passages by air or in Japanese trans-  
ports. Passages by air have only been given in exceptional  
and rare cases, and have, for instance, been refused to  
His Majesty's Consul-General at Hankow and his family. It  
is now reported that the last passages granted to British  
subjects for Hankow were on March 26th and that the Japanese  
Consul-General has stated that, for the time being, passages  
are no longer being granted to Third Party nationals in  
Japanese transports and by air "for reasons of military  
necessity". No date has been specified for the resumption  
of these facilities.

3. This ban, which does not appear to be justified by  
any development in the military situation, is causing ser-  
ious inconvenience and loss to British interests in China.  
His Majesty's Embassy will therefore be grateful if early  
steps may be taken to secure its removal.

BRITISH EMBASSY  
Tokyo  
May 30th, 1940.

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

Enclosure No. <sup>2</sup> to despatch  
No. 4756 dated June 6, 1940.  
From the American Embassy, Tokyo

Copy of document handed by Mr. Dooman to Mr. Yoshizawa,  
Director of the American Bureau, Ministry of Foreign  
Affairs on May 31, 1940.

Twenty-nine American applicants are waiting at Shanghai for Japanese landing permits and transportation to Kiukiang and Hankow. The Japanese authorities have not issued such permits or arranged such transportation since March 26. They have based their refusals on the grounds of "military necessity". The Japanese authorities now state that they expect to send a transport to Hankow with facilities for a limited number of foreign passengers on June 5. Since many applicants of British and other nationalities are also awaiting transportation, it is extremely improbable that all the American applicants will be afforded accommodations if the transport does go on June 5.

The U.S.S. LUZON and the U.S.S. GUAM are leaving Shanghai for Hankow and way ports on May 31. The American naval authorities offered to send the U.S.S. ISABEL also in order to afford transportation for American applicants if Japanese landing permits for the applicants could be obtained. Notwithstanding repeated urgent representations by the American Consulate General at Shanghai the Japanese authorities have refused to issue landing permits for American civilians desiring to proceed to Kiukiang and Hankow on American naval vessels. The Japanese authorities have agreed to issue such a permit to Vice Consul Staten

because

-2-

because he is a Government official.

If it is not the intention of the Japanese Government to reopen the Yangtse River to vessels of third-powers and to permit free travel on the River before June 5, it is requested that transportation by Japanese vessels sufficient to accommodate all Americans desiring to proceed to Kiukiang and Hankow will be provided by the Japanese Government.

It is also requested that landing permits be issued to American citizens desirous of travelling to Kiukiang and Hankow on American naval vessels.

(Copy to British Ambassador and to French Ambassador)

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

NO. 181

THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

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

AMERICAN CONSULATE GENERAL

Canton, China, June 5, 1940

STRICTLY CONFIDENTIAL

SUBJECT: Maritime Customs Staff Matters at Canton

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to my confidential telegram no. 35 of April 13, 1940 in regard to demands of the Japanese authorities that six Japanese be appointed to perform preventive duties on board foreign ships, and to report for the Department's information that these additional officers have not been appointed and that the matter of their appointment is either in abeyance or has been dropped. It may be added that pursuant to instructions from the Inspector General, the Commissioner of Customs informed the Japanese Consul General that the Inspector General was unable to agree to the appointment of the Japanese in question and that nothing further has been heard from the Japanese in regard to the matter. In this connection it may be mentioned that although the British vessel plying between Hongkong and Canton has not thus far carried cargo (because of Japanese demands which the British have found unacceptable - my 43 of April 26), the Portuguese river

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795.94112/380

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COMMERCIAL AFFAIRS  
Department of State

JUL 10 1940

DIVISION



- 2 -

river steamer has, during the past month, been operating regularly between Macao and Canton and has not carried preventive officers, such as was foreshadowed by the Japanese demands. This fact might be adduced should Japanese demands in this respect be renewed.

The above-mentioned six officers, it will be recalled, were to have been nominated by the Japanese naval authorities. It is interesting to note in this connection that according to reliable information the military authorities were for some time unable to agree to the nomination of these officers by the navy and even made the statement that they could trust only their own nominees. Eventually they receded from this position and the demand was made as reported. This incident is apparently indicative of the relations which exist between the military and the naval authorities here. It might be added that there is evidence of the holding by these branches of the armed forces of antagonistic views in regard to the establishment of the local oil monopolies.

As was reported in my no. 8 of January 27, 1940 an "additional harbor master" or harbor master additional is included in the list of Japanese Customs officers which the Japanese authorities desire to have appointed to Canton. Captain Katsukida, a retired naval officer, who is the Japanese nominee for this position, was some time ago taken on to the staff of the Coast Inspector at Shanghai. He was sent to Canton shortly before


April

- 3 -

April 20, 1940, the date on which the Pearl River was re-opened for limited commercial service between Canton and Hong Kong and Macao, to assist the harbor master in connection with the re-opening of the Pearl River. This officer is still at Canton and it is expected that in due course he will be appointed harbor master additional.

The Japanese members of the staff now comprise two assistants (one was assigned shortly after the Japanese occupation in October 1938), one boat officer, five tidewaiters and Captain Katsukida, a total of nine. As reported, the Japanese have demanded the appointment, prior to the re-opening of the port to unrestricted trade, of twenty-four additional Japanese Customs officers.

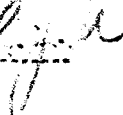
Respectfully yours,

  
M. S. Myers  
American Consul General

Original and four copies to the Department.  
One copy to Embassy, Chungking.  
One copy to Embassy, Peiping.  
One copy to Embassy, Tokyo. (via Peiping)

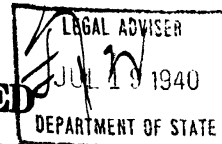
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Department of State letter, August 10, 1972  
By Milton O. Qualen NARS, Date 12-18-75

126  
TELEGRAM RECEIVED



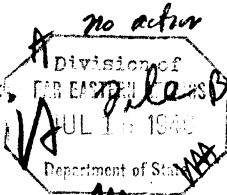
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PLAIN & GRAY

FROM Shanghai via N. R.  
Dated July 15, 1940  
Rec'd 10:58 a.m.

Secretary of State,  
Washington.



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

639, July 15, 3 p.m.

July 15, 1940

793.94112

The Japanese Consul General sent me today a copy of  
the proclamation quoted below by Vice Admiral Shimada:

"Proclamation is hereby declared that, by reasons  
of military necessity, as from midnight between the  
fifteenth and sixteenth July, 1940, entrance by all  
vessels, including those of third powers, to the areas  
given below will be prohibited, and that any vessel entering  
or attempting to enter the said areas in defiance of this  
prohibition will be detained by naval forces under my  
command. Consequently, I cannot assume any responsibility  
for losses, either direct or indirect, that might be  
suffered by vessels or crews thereof entering or coming out  
of the said areas after the said time.

The area extending over Hangchow Bay and Hsinagshan--  
Pu or Nimrod Sound, enclosed by the straight line connecting  
Hsushan or Middle Sashan and West Volcano Lighthouse, the  
longitudinal line crossing Shankiamen of Chusan Island, and  
the latitudinal line crossing Shankiamen or Chusan Island,  
and

793.94112/381

F/N

139

AS-2- #639, July 15, 3 p.m., from Shanghai via N. R.

and the latitudinal line crossing the southern extremity of Luhwang-two.

Two. The area extending over Wenchow harbor with its environs and Loching Wan, enclosed by the straight line connecting Napai Shan and eastern extremity of Tungtou Shan and the latitudinal line crossing Panmien Shan.

Three. The area extending over Santu Ao and Layan Wan west of three hundred forty degrees line from rugged point.

Four. Fuchow Bay and its environs enclosed by the longitudinal line crossing Tinghai and the forty five degree line from Blach Head.

This proclamation in no way prejudices my proclamation dated the seventh May 1940, on the prohibition of navigation by Chinese shipping. Vice Admiral Shigetaro Shimada, commander in chief of the Imperial Japanese-China seas fleet fifteenth July 1940"

The senior American naval officer present and American organizations known to this Consulate General to be concerned have been informed.

Repeated to Chungking, Peiping and Foochow. By air mail to Tokyo Tsingtau for Commander in Chief. Rear Admiral Glassford informed.

WSB

BUTRICK

130

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 30, 1940

~~FOR~~  
~~GA~~

~~FOR~~  
JWB ~~MAFF~~

Tokyo's despatch no. 4786, June 19, 1940,  
"Transportation of Americans to Kiukiang and  
Hankow".

In its reply to the Embassy's representa-  
tions made on May 31, 1940, regarding travel  
of Americans between Shanghai and Hankow  
the Japanese Foreign Office, in a note verbale  
dated June 14 stated that arrangements had  
been made for 28 Americans to leave Shanghai  
for Hankow on June 12; that 6 Americans had  
been allowed to leave Hankow on a Japanese  
military ship on June 4; and that it was  
expected that virtually all other persons  
desiring to go down the Yangtze would have  
been transported by June 15.

793.94112/382

~~FAU~~  
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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. Quastler NARS, Date 12-18-75



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

181

Copy in FF

AMERICAN EMBASSY

Tokyo, June 19, 1940.

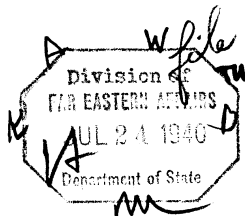
No. 4786

SUBJECT: TRANSPORTATION OF AMERICANS TO KIUKIANG AND  
HANKOW.

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DEPARTMENT OF STATE

1940 JUL 23 PM 1 43

DIVISION OF  
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AND RECORDS



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793.94112/382

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The Honorable

The Secretary of State,  
Washington.

Sir:

I have the honor to refer to my despatch No. 4756  
dated June 6, 1940, concerning the transportation of  
Americans to Kiukiang and Hankow, and to transmit herewith  
1/ a copy in translation of a note verbale dated June 14, 1940  
from the Foreign Office. It is stated in the note that,  
owing to strategic circumstances, the Imperial army since  
the

F/N

132

-2-

the end of March 1940 had prohibited the nationals of third Powers from going up the Yangtze River from Shanghai to Kiukiang and Hankow and since the end of April 1940 from coming down the Yangtze from Hankow. Recent conditions having become such that travel of third Power nationals is to some extent permissible, arrangements were made for the military ship Koa Maru to leave Shanghai for Hankow on June 12 to transport almost all third Power nationals waiting to go up the Yangtze. Twenty-eight Americans were included among third Power nationals. Six Americans were included in a total of eighteen third Power nationals who were given permission to go down the Yangtze on the military ship Koto Maru on June 4, 1940. It is expected that practically all persons desiring to go down the Yangtze will be transported on June 8, 12, and 15.

Respectfully yours,



Joseph C. Grew

Enclosure:

1/ as stated.

350

EHD:gt

Original and two copies to the Department.  
American Embassy, Chungking.  
American Embassy, Peiping.  
Consul General, Hankow.  
Consul General, 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. / to despatch  
no. 4786 dated June 19, 1940.  
from the Embassy at Tokyo.

Translation by the American Embassy at Tokyo of a  
note verbale in Japanese received from the Foreign  
Office on June 17, 1940.

LF:C  
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Ministry of Foreign Affairs,  
No. 117, Asia I. Tokyo.

NOTE VERBALE

173

The Imperial Ministry of Foreign Affairs presents  
its compliments to the American Embassy at Tokyo and has  
the honor to forward to the Embassy the following reply  
to the representations made, on May 31, 1940, by Mr. Dooman,  
Counselor of Embassy, to Mr. Yoshizawa, Director of the  
American Bureau, with regard to the question of travel of  
American nationals between Shanghai and Hankow.

The authorities of the Imperial army in China, owing  
to strategic circumstances, had been prohibiting, since the  
end of March, 1940, nationals of third Powers from going up  
the Yangtze River from Shanghai to Kiukiang and Hankow and  
also, since the end of April, 1940, from coming down the Yangtze  
from Hankow. In view of the fact, however, that recently con-  
ditions became such that the travel of third Power nationals  
to some extent is permissible, it was decided to arrange  
for the military ship Koa Maru as the first ship available  
at Shanghai and to have it leave for Hankow on June 12,  
1940, transporting almost all third Power nationals waiting  
to go up the Yangtze. Among those third Power nationals  
were included twenty-eight (28) American nationals. Further-  
more, Mrs. Stevens, an American national, was given special  
consideration and left for Hankow on June 1, 1940, in an  
airplane to take care of her sick child. At Hankow,

eighteen



-2-

eighteen(18) third Power nationals were given permission to go down the Yangtze on the military ship Koto Maru on June 4, 1940, and among those third Power nationals were included six American nationals. After that it is expected that practically all persons desiring to go down the Yangtze will be transported on three occasions; namely June 8, 12 and 15.

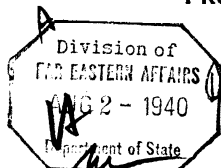
June 14, 1940.

## TELEGRAM RECEIVED

EH

FROM

GRAY



Canton via N. R.

Dated August 1, 1940

Rec'd 12:13 p.m.

Secretary of State,  
Washington.

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

65, August 1, 3 p.m.

8/2 888  
793.94112/355

Referring to my despatch of March 1st in regard to  
temporary pilotage regulations.

This morning the British reported steamer FATSCHAN did  
not leave for Hong Kong as scheduled because of the refusal  
of the Japanese Pilotage Association to provide a pilot  
following noncompliance with its demand for payment in full  
for compulsory pilotage services rendered to date. It is  
understood that when matter of the payment of the pilotage  
fees which are several times higher than those prescribed  
by the general pilotage regulation has been under discussion  
for some time and that the shipping company has tendered  
payment according to the fees specified in the latter regu-  
lations.

Sent to the Department, repeated to Chungking, Peiping,  
Hong Kong.

CSB



MYERS

793.94112/355

F/FG

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

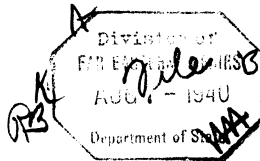


THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

AMERICAN EMBASSY  
Tokyo, July 11, 1940.

No. 4834.

SUBJECT: BRITISH REPRESENTATIONS REGARDING RESTRICTIONS  
ON TRAVEL OF THIRD POWER NATIONALS BETWEEN  
SHANGHAI AND HANKOW.



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DEPARTMENT OF STATE

1940 AUG 5 PM 2 36

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793.94112/384

The Honorable

The Secretary of State,  
Washington.

Sir:

I have the honor to refer to the Embassy's despatch  
No. 4756 dated June 6, 1940, transmitting a copy of the  
note verbale dated May 30, 1940, addressed by the British  
Embassy to the Japanese Government urging the early re-  
moval of the ban on the granting of passages to third-  
power nationals between Shanghai and Hankow in Japanese  
transports and by air.

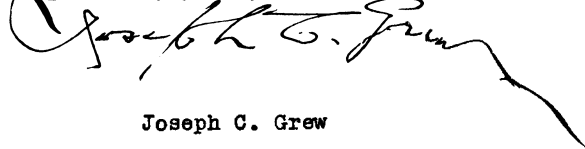
There

F/N

-2-

There is enclosed a copy, in translation, of the  
1/ Japanese Government's reply dated June 13, 1940, to the  
British Embassy's note verbale under reference. The  
Japanese reply explains that for strategic reasons the  
Japanese military authorities prohibited travel up the  
Yangtze from Shanghai to Kiukiang and Hankow from the  
end of March last and down the Yangtze from Hankow from  
the end of April. It further states that the situation  
has recently made it possible to permit the resumption  
of travel to some extent of third-power nationals and  
refers to specific sailing dates by Japanese military  
transports. The reply concludes with the observation  
that the action of the Japanese authorities in making  
these transports available was due to the fair attitude  
of the military, who are anxious to consider the conveni-  
ence of third-power nationals even at the cost of military  
inconvenience to themselves. The Ministry for Foreign  
Affairs also draws the attention of the British Embassy  
to the fact that decisions as to whether military neces-  
sity exists or not rests entirely with the Japanese military  
authorities.

Respectfully yours,



Joseph C. Grew

Enclosure:

- 1/ The Japanese Ministry for Foreign Affairs to the  
British Embassy, Note No. 93, June 13, 1940.

811.1

ESC:nn

Original and 2 copies to Department.  
Copy to Embassy, Peiping.  
Copy to Embassy, Chungking.  
Copy to Consulate General, Shanghai.  
Copy to Consulate General, Hankow.

Enclosure No. 1 to despatch  
No. 8834 dated May 11, 1940,  
from the Embassy at Tokyo.

(Courtesy of the British Embassy to the American Embassy.)

The Japanese Ministry of Foreign Affairs to the British  
Embassy. Translation by the British Embassy.

No. 93.

NOTE VERBALE

The Imperial Japanese Ministry of Foreign Affairs have the honour to reply in the following sense to the representations contained in the British Embassy's Note Verbale No. 110 of the 30th May regarding the passage of nationals of Third Powers between Shanghai and Hankow.

The Imperial Military Authorities in China prohibited for strategic reasons journeys by nationals of Third Powers up the Yangtsze from Shanghai to Kiukiang and Hankow from the end of March last, and down the Yangtsze from Hankow from the end of April. But the situation has recently at length become such that the passage of Third Power nationals can be permitted to some extent and the military transport "Koa Maru" has been made available at Shanghai as the first sailing and was due to leave on the 12th June, carrying almost all the Third Power nationals waiting to proceed up river. At Hankow also, permission has already been granted for eighteen Third Power nationals to sail down the river on the 4th June in the military transport "Koto Maru" and it was subsequently planned to carry almost all those desiring passages, distributing them among three sailings leaving on the 8th, 12th and 15th June respectively.

The above action is based entirely upon the fair attitude of the Imperial Military authorities who are anxious

to

-2-

to consider the convenience of Third Power nationals even at the cost of military inconvenience to themselves. The Ministry would moreover take this opportunity to draw the attention of the British Embassy to the fact that decisions whether military necessity exists or not and as to the extent of military necessity rest entirely with the Imperial Military Authorities.

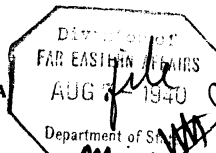
(seal of Gaimusho)

13th June, 1940.

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



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA



AMERICAN EMBASSY  
Tokyo, July 11, 1940

No. 4835.

SUBJECT: DIFFICULTIES ENCOUNTERED BY BRITISH SHIPPING  
IN THE USE OF THE PORT OF TSINGTAO.

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

Rating	SHIPPING REPORT
Sat 8/8 8/10/40	Treasury (Coast Guard) Maritime Commission Navy Maritime Labor Board Commerce

AUG 17 1940



The Honorable

The Secretary of State,  
Washington.

Sir:

With reference to our despatch No. 4754 dated June 6, 1940, with which there were transmitted copies of several documents furnished us by the British Embassy having to do with the series of difficulties encountered by British shipping in the use of the port of Tsingtao, I have the

honor

793.9412/385

AUG 19 1940

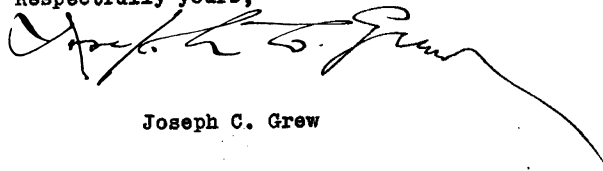
FILED

F/N

-2-

- 1/ honor to enclose a copy of a note verbale dated June 13, 1940, addressed by the British Embassy to the Japanese Ministry for Foreign Affairs setting forth further particulars of cases in which British shipping has suffered discrimination in respect of wharf facilities at Tsingtao.

Respectfully yours,



Joseph C. Grew

✓  
Enclosure:

1/ as stated.

815.6

ESC:nn

Original and 3 copies to the Department.



Enclosure No. 1 to despatch  
No. 4835 dated July 11, 1940,  
from the Embassy at Tokyo.

(Courtesy of the British Embassy to the American Embassy.  
Received June 20, 1940.)

The British Embassy to the Japanese Ministry of Foreign  
Affairs.

No. 125(36/722(17)/40)

NOTE VERBALE

His Majesty's Embassy present their compliments to  
the Imperial Japanese Ministry of Foreign Affairs and  
have the honour to refer to two memoranda, regarding the  
situation at Tsingtao, which were left by the Counsellor  
of the Embassy with the Head of the European and West  
Asiatic Bureau on the 20th May last.

2. His Majesty's Embassy have now been informed of  
the following further particulars of cases where British  
shipping has suffered discrimination in respect of wharf  
facilities at Tsingtao. On March 17th last the s.s. "Sheng-  
king" was compelled to anchor at the Back Bay and discharge  
by lighter, because berths four and five on Wharf No. 1  
(the two berths available for foreign shipping) were then  
occupied by the Matsuura Maru and Nirata Maru; at that time  
berths Nos. 9, 11, 17, 21 and 22 were all vacant, while  
berth No. 12 was occupied by a junk. On April 8th the s.s.  
"Aeneas" was kept waiting for seven and a half hours until  
the s.s. "Hoihow" left berth No. 4. At the time berth  
No. 5 (the other berth available for foreign shipping) was  
occupied by the "Lushan Maru" and berths Nos. 12, 13, 14,  
19, 20, 21 and 22 were vacant.

3. Berth No. 4, besides having no godown, is the  
most exposed and generally speaking far and away the least

desirable

-2-

desirable of all the berths in Tsingtao Harbour, in addition to which the quay space is nearly always covered with timber and similar impediments. Further, No. 1 wharf is not so favourable for ocean shipping as wharf No. 2 (which is considered the best in the harbour), while any berth on wharf No. 3 which is sheltered, though it possesses no godown, might be preferable to berth No. 4.

4. It appears that berths Nos. 9, 10 and 11 on wharf No. 2 are monopolised by the passenger ships of the Dairen Kisen Kaisha and the Toa Kaiun Kaisha, while the remaining berths Nos. 12, 13, 14 and 15 are reserved for the military. There seems no very good reason for allowing the passenger services of the two Japanese companies mentioned above to have the sole use of one side of the best wharf in the harbour, especially as berths Nos. 9, 10, and 11 are so large that six ships could be accommodated, unless the Japanese authorities are in fact determined that their shipping shall predominate in every way in Tsingtao at the expense of Third Power shipping.

5. His Majesty's Embassy have the honour to bring these facts to the attention of the Ministry of Foreign Affairs and they will be grateful if early and really effective steps may be taken to provide more adequate facilities for British shipping at Tsingtao.

British Embassy,

Tokyo.

13th June, 1940.

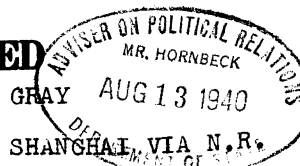
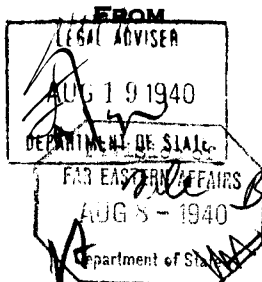
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Quast NARS, Date 12-18-75

135

TELEGRAM RECEIVED



Secretary of State,  
Washington.



Dated August 7, 1940

Rec'd 2:50 a.m., 8th

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

8/9/40

*Cabotage and*

793.94112

751, August 7, 3 p.m.

The motor vessel ESTELLE, 81 tons, owned by ~~the~~ <sup>the</sup> ~~United States~~ <sup>United States</sup> Trading Company, Federal Incorporated United States of America and registered under form 35, was detained by the Japanese navy off Chekiang coast on July 29. After oral and written representations by this office to the Japanese Consul General the ship was released and arrived in Shanghai on August 6. The Japanese Consul General has written me stating as follows:

"On the 29th July at 10 a.m., one of the patrol boats of the Japanese navy observed a merchant man navigating in the Futo channel which is within the area where navigation has been prohibited by the proclamation of Vice Admiral Shimada of July 15, 1940. The vessel was signaled to stop and then subjected to a visit, whereupon it was found that the vessel was the m.v. ESTELLE owned by an American firm and was bound for Kuaotow with certain cargo on board. It was further established vessel had once been visited by the Japanese patrol off Taipingshan on the 17th July, when, however, she was released immediately

✓

on

793.94112/386

F/B

136

-2- #751, August 7, 5 p.m., from Shanghai via N.R.

on the ground that she was trying to clear the prohibited area in good faith. The present detention by the Japanese navy of the m.v. ESTELLEL is not only the second one, but also this time it is going to be proved that she has attempted to proceed to the prohibited area with the fullest knowledge of the proclamation above referred to. The Japanese naval authorities hold the view that in the event of her being detained for the third time she will never be released."

The proclamation of July 15 referred to was reported to the Department in my <sup>793.94112/381</sup> 639 July 15, 3 p.m.

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

BUTRICK

EMB

137

DCR

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 12, 1940

Reference Shanghai's 751, August 7, 3 p.m., seizure and temporary detention by Japanese naval vessels of the American m.v. Estellel.

This case involves an extremely important question of principle: Whether this Government will acquiesce in the seizure and detention by Japanese naval vessels of American vessels who enter Chinese waters which have been marked off by the Japanese authorities as prohibited waters.

The attitude and position of this Government in regard to the asserted Japanese naval blockade of portions of the China coast were set forth in the Department's 400, September 22, 5 p.m., 1937, to Shanghai.

In regard to the particular case of the m.v. Estellel, it can scarcely be assumed that the threat that the vessel "will never be released" if again detained by the Japanese naval authorities, contained in the last sentence of the quoted portion of Shanghai's telegram under reference, is in the nature of a casual or inconsidered remark by the Japanese Consul General. Having in mind the recent attitude towards Americans and American interests adopted by certain of the Japanese authorities in China, especially Shanghai, and as reflected in some of the actions of those authorities and their agencies during July, it is to be assumed that the threat in question was made deliber-

ately

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

ately and that it was probably designed for the purpose of ascertaining our reaction thereto. It is accordingly suggested that the Consul General at Shanghai be instructed to reply to his Japanese colleague, reiterating to the latter the position of this Government in regard to the prohibited area marked out by the Japanese authorities as described in Shanghai's 639, July 15, 3 p.m. ~~(and concluding with a direct inquiry whether the threatening statement in question was made with the knowledge and approval of the Japanese Government.)~~

A draft telegram is attached.

793.94112/386

GA  
FE:Atcheson:HJN

WAA

KE  
HJN

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

138

PREPARING OFFICE  
 WILL INDICATE WHETHER  
 Collect (Full rate  
 Day letter  
 Night letter

TELEGRAM SENT

TO BE TRANSMITTED  
 CONFIDENTIAL CODE  
 X NONCONFIDENTIAL CODE X  
 PARTAIR  
 PLAIN

Department of State

Gray

Charge Department:  
 Full rate  
 Day letter  
 Night letter

Washington, *14*  
 August *12*, 1940  
*JP*

Charge to AMERICAN CONSUL,  
 \$

SHANGHAI (CHINA). *Nof*

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

368

Your 751, August 7, 3 p.m., Japanese detention of  
 motor vessel Estelle, and Department's 400, September 22,  
 5 p.m., 1937, to Shanghai.

Having in mind the attitude and position of this Govern-  
 ment toward the rights of American citizens and property, <sup>including vessels,</sup> in  
 relation to areas assertedly marked off by the Japanese  
 authorities as zones of blockade or hostilities, it is sug-  
 gested that you reply to your Japanese colleague, <sup>and</sup> inform  
 him that this Government does not recognize or acquiesce  
 in any asserted right by the Japanese naval or other authori-  
 ties to detain an American vessel proceeding on its lawful  
 occasions, ~~and inquire whether the threatening statement con-~~  
~~tained in the last quoted sentence of the Japanese Consul~~  
~~General's communication to you was made with the knowledge and~~  
~~approval of the Japanese Government.~~

*J.W.B.*

735.94112/386

Sent to Shanghai. Repeated to Chungking and Peiping.  
 Shanghai please repeat to Tokyo.

793.94112/386

Enciphered by *GA* FE:GA:HJN

Sent by operator *M.*, 19 *19*, CR

1-1402 U. S. GOVERNMENT PRINTING OFFICE AUG 13 1940

*Acting*

PA-11

SKH

F/FG

## TELEGRAM RECEIVED

CORRECTED COPY

KD

FROM

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

Canton via N. R.

Dated August 12, 1940

Rec'd. 10:30 a.m.

Secretary of State,  
Washington.

Division  
FOR EASTERN SERVICES  
AUG 14 1940  
Department of State

67, August 12, 1 p.m.

Reference my 65, August 1, 3 p.m., in regard to the  
detention of British river steamer.

The question of pilotage fees raised by the demand  
of the Japanese Pilotage Association has been under  
discussion by local British and Japanese officials but  
thus far without result. Following the refusal of the  
Japanese to provide a pilot the British authorities at  
Hong Kong under the terms of the bilateral agreement  
providing for the British and Japanese services between  
Canton and Hong Kong withdrew permission for the entry  
into that port of the Japanese river steamer scheduled  
to sail August 4.

According to confidential information the Japanese  
were incensed by the action of the Hong Kong authorities  
alleging that the two matters had no connection. The  
British on the other hand have maintained that the

agreement

793.94112/387



-2- #67, August 12, 1 p.m., from Canton via N. R.

agreement was suspended by the Japanese in refusing to supply pilot for which "a reasonable fee" would be charged as stated in the agreement.

Discussions are continuing and it is possible that a settlement may still be reached.

This would seem to be another case in which the Japanese have adopted an uncompromising stand for the purpose of causing embarrassment to the British.

Sent to the Department, repeated to Chungking, Peiping, Hong Kong.

MEYER

CSB

*See corrected copy FE.*  
*8/9/40*

## TELEGRAM RECEIVED

JR

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

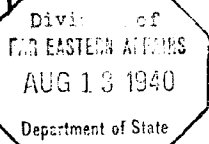
FROM

Canton via N. R.

Dated August 12, 1940

Rec'd 10:30 a.m.

Secretary of State  
Washington.



07, August 12, 1 p.m.

Reference my 65, August 1, 3 p.m., in regard to the

detention of British river steamer.

793.94112

The question of pilotage fees raised by the demand of the Japanese Pilotage Association has been under discussion by local British and Japanese officials but thus far without result. Following the refusal of the Japanese (?) pilot the British authorities (?) under the terms of (?) providing for the British and Japanese (?) between Canton and Hong Kong withdrew permission for the entry into that port of the Japanese river steamer scheduled to sail August 4.

According to confidential information the Japanese were incensed by the action of the Hong Kong authorities alleging that the two matters had no connection. The British on the other hand have maintained that the agreement was suspended (?) the Japanese in refusing to supply pilot for which "a reasonable fee" would be charged as stated in the agreement.

Discussions

793.94112/387

F/FG

-2- #67, August 12, 1 p.m., from Canton via N. R.

Discussions are continuing and it is possible that a settlement may still be reached.

This would seem to be another case in which the Japanese have adopted an uncompromising stand for the purpose of causing embarrassment to the British.

Sent to the Department, repeated to Chungking, Peiping, Hong Kong.

MEYER

CSB

AS

TELEGRAM RECEIVED

138

Shanghai via N. R.

Dated August 15, 1940

FROM

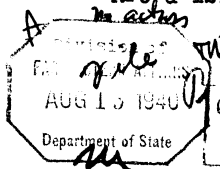
Rec'd 12:15 p.m.



Secretary of State,  
Washington.

784, fifteenth.

Reference my 639, July 15, 3 p.m.



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

8/15 EGV

On August twelve I received a consular body circular embodying a letter from the Japanese Consul General transmitting the following proclamation: "I hereby proclaim that my proclamation on the fifteenth, July 1940 on the prohibition of shipping in the areas including Hangohow Bay, Shanghai Pu, Wenchow Harbor, Foochow Harbor, Santuo and Layuan Wan will be extended, by reasons of military necessities, to cover the area given below, and that this proclamation will become effective as from midnight between the fourteenth and fifteenth August 1940.

This area enclosed by straight lines connecting, from north to south, Kerr Island and High Cone, High Cone and Pinghai, Pinghai and Pyramid Point and Pyramid Point and Chimmo Point, including in the area amongst others, Singhua Wan Pinghai Wan, Meichow Po, Port Matheson, Chuanchow,

Chiang

793.94112

793.94112/583

F/FG

146

-2- #784, August 15, from Shanghai.

Chiang and Chinmo Wan. Tenth August 1940 Vice Admiral  
Shigetro Shinada commander-in-chief of the Imperial  
Japanese China Seas fleet."

The senior American naval officer present and American  
shipping companies in Shanghai have been informed. Sent  
to Department, repeated to Peiping, Chungking, Foochow,  
by air mail to Tokyo.

BUTRICK

CSB

TELEGRAM RECEIVED

141

15E

HR

GRAY

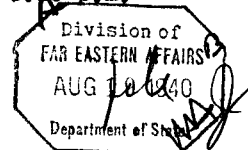
FROM Shanghai via N.R.

Dated August 16, 1940

Rec'd 8:50 p.m.

COPIES SENT TO  
O.N.I. AND M.I.D.  
7/9/40

Secretary of State,  
Washington.



790, August 16, 3 p.m.  
Reference my 613, July 15, 3 p.m. and 778,  
793.94112/381 893.0146/

August 15, Japanese blockade of Ningpo, Wenchow and  
other ports.

Letters have recently been received from the  
National Aniline and Chemical Company, Cabotage and  
Trading Company, 5 companies connected with William  
Hunt interests (all American) and the American Chamber  
of Commerce at Shanghai regarding difficulties being  
encountered and losses suffered as the result of the  
stoppage by the Japanese blockade of all traffic be-  
tween Shanghai and Ningpo and Wenchow. These letters  
emphasize that this route was an important one for  
trade with unoccupied portions of Central China and  
that its closure, coincident with measures taken in  
Indochina and the recent restrictions on American  
shipments out of Shanghai by rail, has seriously inter-  
fered with American trade in this part of China.

Mention

793.94112/389

F/FG

793.94112  
note

393.115  
693.002

142

HR -2- #790, August 16, 3 p.m. from Shanghai via NR

Mention is also made of losses to shipping. In this connection see my 751, August 7, 3 p.m. Standard Vacuum Oil Company states that it intends requesting representations regarding its desire to despatch a tank steamer to Ningpo.

This office is also informed that a number of American missionaries are unable to return to their homes and places of work in unoccupied parts of Chekiang Province and that Americans in Chekiang wishing to come to Shanghai are likewise unable to do so.

693.002  
Some parties have complained on the ground that Chinese Maritime Customs at Shanghai is refusing clearance to goods or ships for these ports. Commissioner of Customs has orally confirmed that such action is being taken at Japanese request. I do not consider, however, that pressure on the Maritime Customs will be of any value.

I have written the Japanese Consul General regarding losses by American business interests and inconvenience to American citizens and requesting the removal of all restrictions by Japanese authorities on trade and intercourse between Shanghai and the blockaded ports.

Sent to the Department. Repeated to Peiping,  
Chungking.

143

HR -3- #790, August 16, 3 p.m. from Shanghai via NR.  
Chungking. Airmail to Tokyo.

BUTRICK

TFV



CROSS-REFERENCE FILE

NOTE

SUBJECT Japanese blockade of Foochow; certain British vessels refused permission to enter port.

Owner of steamship HSINYU has ordered it to return to Shanghai. He states Shanghai Customs are issuing no further clearances for Sanchiangkou from today, suspending the last steamship service to this area.

For the original paper from which reference is taken

See Tel #; 6pm  
(Despatch, telegram, instruction, letter, etc.)

Dated August 14, 1940 From Foochow (Ward)  
To

File No. 793.94/16133

FRG

793.94112/ 390

390

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

FE

JR

GRAY

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 HSINYU 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 Peiping. Repeated to Department and Chungking.

WARD

TFV

793,94112

793.94/16133

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** Vessels held up Japanese blockade of Foochow coast.  
Steamship's names, mentioned in telegrams of Aug 12, 4pm;  
Aug 13, 5pm; Aug 14, 6pm, given, incorrectly, the prefix  
"HSIN"; should read "SHEN".

For the original paper from which reference is taken

See Tel #-: 3pm  
(Despatch, telegram, instruction, letter, etc.)

Dated August 15, 1940 From Foochow (Ward)  
To

File No. 793.94/16134

793.94112/391

DECLASSIFIED: E.O. 11652, 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

1074  
793.94112

HR

GRAY

Foochow via N.R.

Dated August 15, 1940

Rec'd 1:55 p.m.

Secretary of State,  
Washington.

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.

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

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Mikem O. Quisenberry NARS, Date 13-18-75

HR -2- 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

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

EH

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

Canton via N. R.

Dated August 30, 1940

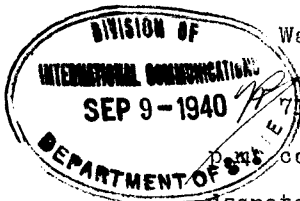
Rec'd 12:15 p.m.

Division of  
Far Eastern Affairs  
AUG 31 1940

Department of State

Secretary of State,

Washington.



71, August 30, 3 p.m. Reference my 67 August 12, 1  
concerning detention of British river steamer and  
despatch number 169, May 14 in regard to restrictions  
on Pearl River shipping.

793,941,12  
According to confidential information the matter of  
pilotage fees has been settled by payment in full of the  
fees to date according to the rates of the Japanese  
Pilotage Association on the understanding that discussions  
with a view to reaching an agreement on rates to be paid  
in future will be started immediately. It is understood  
that efforts will also be made to find a solution of the  
matter of the conditions which the Japanese have endeavored  
to impose on British shipping as outlined in the second  
paragraph of the despatch under reference.

The FATSHAN does not expect to return to Hong Kong  
Monday and is expected to resume weekly sailings beginning  
September 4. The semi-weekly sailings of the Japanese  
river

793.94112/392

FILED

F/B

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

EH -2- 71, August 30, 3 p.m. from Canton.

river steamers will also be resumed.

Sent to Department, repeated to Chungking, Hong Kong,  
Peiping. Please repeat to Tokyo.

MYERS

CSB

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

CROSS-REFERENCE FILE

NOTE

SUBJECT Sanchiangkou, seaport of Foochow closed since July 31; several British vessels refused permission to enter. Approach to Foochow from the sea is cut off, at least temporarily.

For the original paper from which reference is taken

See Tel #-; 4pm  
(Despatch, telegram, instruction, letter, etc.)

Dated Aug 12, 1940 From Foochow (Ward)  
To

File No. 793.94/16124

793.9412/ 393

393



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

~~FE~~

NOTE  
793.94/112

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.

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 HSINFU entered after waiting outside for provisioning. 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

793.94/16/24

- 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

JR

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

TELEGRAM RECEIVED

Shanghai

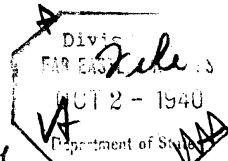
Dated September 30, 1940

FROM

Rec'd 5:10 a.m., Oct. 1.

Secretary of State,  
Washington.

Tel to Shanghai  
dropped



1006, September 30, 5 p.m.

OCT 18 1940

793.94112/384

Relative to my 751, August 4, reporting second

seizure consular registered motor vessel ESTELLEL, this vessel was seized for the third time by the Japanese navy on August 26 in the neighborhood of Wenchow and released at the Japanese controlled port of Likong on September 13 following repeated representations by this office.

793.94112

Reference is made to Department's 580, October 12, 5 p.m., 1938, relative to right to registration of Dollar Company's tender DOLLAR. The ESTELLEL has been chartered to a Chinese organization for approximately one year. It is under the command of a Russian captain who the owner, Lang, alleges was engaged and is personally paid by him. The Chinese crew is paid by the charterer.

My telegram 751 of August 7 inadvertently gave Cabotage Trading Company as owners. Complete report being mailed.



KLP

BUTRICK

FILED  
OCT 24 1940  
F/FG  
FILED  
OCT 24 1940

793.94112/394

DECLASSIFIED: E.O. 11652, 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

145

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

Department of State

Collect { Full rate  
Day letter  
Night letter

Charge Department:

Full rate  
Day letter  
Night letter

Charge to AMERICAN CONSUL,  
\$

SHANGHAI (CHINA). *via NR*

INFO: CHUNGKING, PEIPING.  
*491*

Your 1006, September 30, 5 p.m.

October 18, 1940.  
*5 p.m.*

This cable was sent in Confidential Code.  
It should be carefully paraphrased before  
being communicated to the press. BR

✓ The information contained in your telegram under reference is the first intimation the Department has had that the Estelle L may not be under effective American control. Please investigate details of control over the Estelle L including amount of supervision, if any, exercised by the American owner over the voyages and cargoes of that vessel and report by naval radio your findings together with your recommendation, in the light of the Department's attitude as indicated in its 424, July 2, 3 p.m., 1938, and 580, October 12, 5 p.m., 1938, to your office, as to the continuance or cancellation of Consular Form 35 under which the Estelle L is operating.

Sent to Shanghai. Repeated to Chungking and Peiping.

*EX-100*  
OCT 18 1940

793.94112/394

*VAA*  
FE:WAA:JPS

Enciphered by

Sent by operator *M.*, 19

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

OCT 18 1940

DEPARTMENT OF STATE

793.94112/394

F/B

AMERICAN BAPTIST FOREIGN MISSION SOCIETY

152 MADISON AVENUE  
NEW YORK, N. Y.

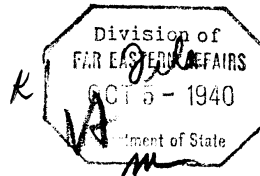
J. W. DECKER  
FOREIGN SECRETARY  
RANDOLPH L. HOWARD  
FOREIGN SECRETARY

October 2, 1940

P. H. J. LERRIGO  
HOME SECRETARY  
DANA M. ALBAUGH  
BUDGET SECRETARY  
FORREST SMITH  
TREASURER

RECEIVED  
DEPARTMENT OF STATE  
OCT 15 PM 2 00

Department of State  
Washington, D. C.



10/2  
Letter to  
Mr. Decker  
KDS

Gentlemen:

Your Department is informed with respect to the virtual blockade of the Chinese coast south of Shanghai which is preventing Americans from traveling to and from their posts in Southeastern China. Recently one of our veteran missionary families, Rev. and Mrs. A. F. Ufford, made an attempt to get from Shanghai to a small port south of Wenchow. That attempt failed. Mr. Ufford has reported on the journey, and I am enclosing herewith two copies each of his letter dated August 30 addressed to the American Consulate in Shanghai and a letter addressed to myself September first.

In addition to Mr. Ufford, several of our families in Chekiang were prevented from getting out this summer for much needed vacations. The blockade has separated one family, leaving Mrs. R. E. Stannard and her children in Shanghai, we presume. They were summering in the North while Dr. Stannard and one daughter is in Shaohing, their regular station.

This is a very serious matter for our mission work. The correspondence referred to is enclosed for the information of your Department. We feel sure that everything possible will be done to protect the rights of American citizens whose legitimate business requires them to travel to and from their posts along the coast of China.

I remain,

Yours very sincerely,

*J. W. Decker*  
Foreign Secretary  
OCT 15 1940  
FILED

JWD\*F  
Enclosures

793.94112  
note  
893.111  
393.11

793.94112/393

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

175 Route Dufour  
Shanghai, China  
September 1, 1940

To *W.D. Gustafson*

Dear Bill:

The enclosed copy of a letter to Mr. Cooper of the American Consulate will show you the difficulties encountered in an effort to get back to Shaohing. I am also enclosing clipping from the Evening Post and Mercury. This is an even more detailed report than my letter to the Consulate. I am not enthusiastic about running the blockade. Instead we are trying to find out how many missionaries and how much freight there is to go into Chekiang. When we have the data we are going to ask the American Consulate to get a guarantee of safe conduct from the Japanese for a ship to go into one of the Chekiang ports. Very small boats from time to time succeed in running the blockade, but at very great risk.

Your Air Mail letter was awaiting me on my return from Kuaotou. Cressy and I are to have a talk tomorrow. After that I will write again.

Very truly yours,

(Sd) A. F. UFFORD

August 30, 1940

Mr. C. A. Cooper  
American Consulate General  
181 Kiangse Road  
Shanghai

Dear Mr. Cooper:

Following my telephone conversation with you on August 23rd we embarked on the s.s. "Hanna" for Wenchow at 6 p.m. on August 24th.

All went well with us until Sunday, August 25th at 4.30 p.m. At that time we were passing Haimen, which is in the area prohibited by the Japanese navy. We however were out at sea beyond the prohibited area. This part of the coast has many islands near the shore. We had seen a gunboat lying near one of these islands. The Captain of the "Hanna" had been watching the gunboat through his glasses for twenty minutes, but had failed to see the signal, "stop or we open fire." Suddenly there came a flash, a report, and a shell struck within 400 yards of our boat and in direct line with us. We stepped from the cabin to the deck just as another flash came from the gunboat. The second shell fell within 200 yards of our ship, also in direct line. It seemed much nearer as the water splashed such a short distance from us. The Captain blew the whistle frantically and dropped anchor, but of course a ship going at full speed could not be stopped at once. The passengers all went down into the hold as the chance of getting hit seemed a little less there. To say that we were a scared crowd is only to state the plain truth.

Fortunately the second shot was the last. After some time had elapsed the gunboat came out from its hiding place behind the island and anchored in the deep water. It was evident that the gunboat, which appeared to be a converted freighter, drew more water than our ship and so could not come alongside us. She broke out a signal that we were under arrest and must follow her. We immediately pulled up the anchor and followed her until we reached a spot where we were told to anchor. No move was made that evening to come on board to examine the ship's papers. We were detained without explanation until 7.30 a.m. the next day, when a boarding party came on board. The officer's explanation was that he had thought that we were trying to enter Haimen in the prohibited area and so had fired on us after we had failed to heed his signal to stop. After an inspection we were allowed to proceed on our way.

-2-

We were stopped again at 10.30 a.m. on August 26th, this time by a gunboat partly concealed by one of the islands. After a long delay the boarding party came over to us in a motor launch. The officer in charge of the party, after a routine inspection told us we could go ahead, and that in the first instance we had mistaken the signal. We remained at anchor, however, throughout the day while the Captain was getting instructions from his Shanghai office as to whether he should proceed or return to Shanghai. At night fall the gunboat came out of its hiding place behind the island and anchored near us for the night.

On August 27th at 10.30 a.m. we sailed for Kuaotou since the Captain had now received orders from the Shanghai office to proceed to that port. Before we got under way the gunboat left us to stop a ship bound for Shanghai in waters far outside the prohibited area. Just as we were moving we were asked where we were going. When the reply "To Kuaotou" was made we were allowed to proceed.

Shortly thereafter we were stopped again by the largest gunboat yet. First of all the validity of the German registration of the ship was questioned. When that was verified the Japanese asserted that we could not go into Kuaotou because they were about to undertake military operations there. By 3.30 p.m. they had assembled one air-craft carrier, one cruiser, two destroyers and three patrol boats. At 6.30 p.m. the Captain of the larger gunboat came on board and gave orders that we were to proceed to Shanghai and if any attempt was made to enter any port he would detain or sink our ship. The Captain immediately gave orders to weigh anchor and we returned to Shanghai arriving on the morning of the 30th.

From our experience it is evident that irrespective of prohibited or unprohibited areas the Japanese Navy is determined on a complete blockade of the Chekiang Coast and that the regulations regarding this blockade are interpreted by each commander to suit his own purpose.

Very sincerely yours,

(Sd) A. F. UFFORD



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 13-18-75

# AMERICAN BAPTIST FOREIGN MISSION SOCIETY

152 MADISON AVENUE  
NEW YORK, N. Y.

October 3, 1940

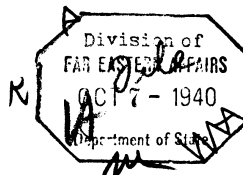
J. W. DECKER  
FOREIGN SECRETARY  
RANDOLPH L. HOWARD  
FOREIGN SECRETARY

P. M. J. LERRIGO  
HOME SECRETARY  
DANA M. ALBAUGH  
BUDGET SECRETARY  
FORREST SMITH  
TREASURER

1940 OCT 4 PM 2 02

COMMUNICATIONS  
AND RECORDS

Department of State  
Washington  
District of Columbia



Letter to  
Mr. Decker  
10/10

Dear Sirs:-

October 10, 1940

Pursuant to my letter of October 2nd relative to a blockade of the China Coast and the experience of our missionary, Rev. A. F. Ufford, I enclose for your information a copy of the pertinent paragraphs from a more recent letter from him dated September 11, 1940.

I am gratified to see that definite and promising plans are being made to enable the Uffords and other missionaries to get back to their posts.

I am

Yours very truly,

*J. W. Decker*  
Foreign Secretary

JWD EK

Encl-

RECEIVED  
OCT 11 1940

F/3

793.94112/396

793.94112

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

Excerpts from Letter of September 11, 1940,  
A. F. Ufford, Shanghai, to J. W. Decker

You will be relieved to know that plans are rapidly maturing for the return of about thirty missionaries now stranded in Shanghai to their stations. Thru the help of Jack Service in the American Consulate we are arranging for a small steamer under American registry to take our freight to Wenchow. The party will go down the coast on a regular steamer and transfer off the mouth of the Wenchow River to the small steamer which will take us up the river to Wenchow, or a point near there. Our group consists of Baptist, Catholic, C.I.M. Presbyterian, Seventh Day Adventists, and Christian and Missionary Alliance missionaries. Mr. Longway of the Seventh Day Adventist Mission and I have been working on the thing ever since we were turned back by the Japanese Navy on Aug. 28 at Wenchow. We have the Navy's guarantee of safe conduct, so the thing should go thru this time.

We are hoping that Dr. Stannard and Jean can come out on the return of the "Estelle L" (U.S.boat) to Shanghai. The accommodations on the boat are poor, but the best that can be had with safety at this time. The Japanese seem determined to carry out an effective blockade of the coast and with their numerous vessels are in a position to do it. I was impressed with the efficiency of their patrol the six days that we spent down on the coast on our abortive trip to Wenchow.

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

October 2, 1940

In reply refer to  
FE 793.94112/396

793.94112/396

My dear Mr. Decker:

The receipt is acknowledged of your letters of October 2 and October 3, 1940, furnishing the Department with information in regard to difficulties experienced by missionaries proceeding to ports on the China coast south of Shanghai.

The Department appreciates receiving the information contained in your letters and has been giving and will continue to give attention to the problems encountered by Americans in proceeding to certain ports on the China coast.

Sincerely yours,

For the Secretary of State:

*M. M. Hamilton*  
Maxwell M. Hamilton  
Chief

Division of Far Eastern Affairs

Mr. J. W. Decker,  
Foreign Secretary,  
American Baptist Foreign Mission Society,  
152 Madison Avenue,  
New York, New York.

*McK*  
FE:KCK:MHP  
10/8/40

E-EH

CROSS-REFERENCE FILE

NOTE

**SUBJECT** Ban placed upon Ship passage, by Japanese, on ground of military necessity (indications of Chinese activities and successes in Yangtze area). Reporting on-, states early lifting thereof is promised.

For the original paper from which reference is taken

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

Dated Oct 16, 1940 From Hankow (Spiker)  
To

File No. 793.94/16239

793.94112/397

397

CROSS-REFERENCE FILE

NOTE

**SUBJECT** Japanese ban upon traffic upon waterway between Hankow and Shanghai.  
Lifting of-; resumption of steamer service.

For the original paper from which reference is taken

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

Dated Oct 25, 1940 From Hankow (Spiker)  
To

File No. 793.94/16263

793.94 112/398

397

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

RDS

# TELEGRAM RECEIVED

SHANGHAI VIA N.R.

Dated November 6, 1940

Rec'd 9:15 p.m.

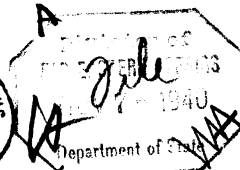
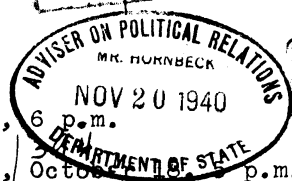
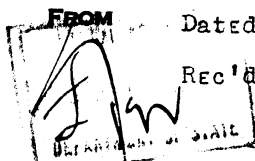
Secretary of State,  
Washington.

1205, November 6, 6 p.m.

Department's 491, October 2, 1940, 6 p.m.

Lang, owner ESTELLE L, stated under date of October

29th that he was making arrangements with charterer whereby he would have a larger control over its operations. As a last alternative he prefers to cancel charter to Chinese and operate motor vessel himself if present status not acceptable to the Department. Lang now seems able to induce charterer to carry missionary effects Shanghai-Wenchow when other cargo reported already booked. He also induced charterer to have ESTELLE L wait outside Wenchow to contact Japanese coasting vessel and transfer therefrom American missionary passengers from Shanghai destined for Wenchow. The Consulate General has no reason to doubt that Lang is carrying on a bona fide cargo carrying trade and will earn less money if he operates the ship himself as Chinese are best qualified to deal with other Chinese under conditions prevailing in small ports such as Wenchow but as ESTELLE L is regularly entering



*Handwritten notes and signatures:*  
RDS  
FEE  
NE  
PA/H  
#11

793.94112

793.94112/399

FILED

F/FG

NOV 17 1941

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

-2- #1205, November 6, 6 p.m., from Shanghai via N.R.

entering the Japanese blockade zone policy might dictate  
a complete control rather than one exercised through  
Russian captain paid by Lang and crew paid by charterer.

LOCKHART

EMB

793.94112/

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

# TELEGRAM RECEIVED

MH

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

Shanghai via N.R.

FROM Dated November 7, 1940

Rec'd 9:25 am, November 8

Secretary of State,  
Washington.

1215, November 7, 4 p.m.

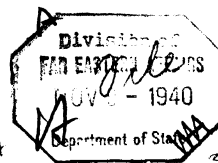
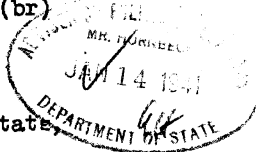
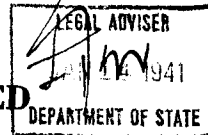
Department's October 18, 5 p.m. and my 1205, November 6, 6 p.m.

Owner of ESTELLE has notified me that he arranged to cancel existing charter party with Chinese operators. Under new arrangements a Chinese agent will commission on gross receipts for procuring freight and dealing with Wenchow officials but according to owner's statement the fixing of rates and operation of vessel is to be entirely in his, Lang's, hands.

LOCKHART

PEG

793.94112/394



Tell Shanghai  
drop it

793.34112/400

FILED  
JAN 17 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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 28, 1940

FAS  
CC  
✓

Foochow's 221, September 27, 1940, discusses in detail the blockade of the coastal ports of north Fukien. The despatch is summarized on page 2.

The Chinese manager at Foochow of an American firm is quoted as the source of information to the effect that the evasion of the Japanese blockade, which was apparently quite general, was based on the payment of established fees to Japanese naval authorities. The tariff was said to be 6 yen a ton between Shanghai and the port of San Chiang-kou. The implication is that the blockade is operated to a large extent as a source of revenue for a group of Japanese naval officers.

JD

FE:Davies:OJL

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

NO. 221

AMERICAN CONSULATE,

Foochow, China

1940 NOV 20 AM 11 16

COPIES SENT TO  
O.N.I. AND M.I.D.  
11/27/40 R.E.K.

September 27, 1940.

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

SUBJECT: Status of the Japanese Blockade of  
the coastal ports of northern Fukien.

1-1065 GPO

OFFICE OF THE ADVISER ON  
INTERNATIONAL ECONOMIC AFFAIRS  
DEC - 6 1940  
DEPARTMENT OF STATE

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Ex. Dist. by check	Yes	No
Grade	Av	
For	Ward	
To F. H.		
In U. S. A.	✓	
	ONI	MID

Sir:

I have the honor to transmit, as of possible  
interest to the Department, a copy of this Consulate's  
despatch no. 179 of today's date addressed to the  
Embassy on the subject of the status of the Japanese  
blockade of the coastal ports of northern Fukien.

Respectfully yours,

*Robert S. Ward*  
Robert S. Ward  
American Consul

Enclosure:

To American Embassy No. 179,  
dated September 27, 1940.

800  
RSW:tkw

In quintuplicate.

Rating	SHIPPING REPORT
	Treasury (Coast Guard)
	Maritime Commission
	Navy
	Maritime Labor Board
	Commerce



793.94112/401

PS/GC

TP

Enclosure no. 1 to despatch no. 211, dated September 27, 1940, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Status of the Japanese Blockade of the coastal ports of northern No. 179 Fukien".

AMERICAN CONSULATE  
Foochow

September 27, 1940.

Confidential.

Subject: Status of the Japanese Blockade  
of the coastal ports of northern  
Fukien.

The Honorable

Nelson Trusler Johnson,  
American Ambassador,  
Peiping.

Sir:

I have the honor to refer to the Shanghai Consulate General's radiogram no. 639, of July 15, 3 p.m. to the Secretary of State quoting a proclamation issued on that day (July 15, 1940) by Vice Admiral Shimada asserting a prohibition on the entry of all vessels, including those of third powers, into certain areas, among which were listed the harbor of Santuao and Foochow "Bay", and to a further message from the same office numbered 784 and dated August 15 (1940) quoting a proclamation issued on August 10, 1940, also by Vice Admiral Shimada, extending the limits of the prohibited area set forth in his earlier statement to include, among other areas, Hingwa Bay, and in connection with the blockade of the coastal ports of the northern Fukien coast which those proclamations effected, there is submitted for the Embassy's information and files the following report.

Summary.

-2-

Summary. The present Japanese blockade of the northern Fukien coast began shortly after the seizure by the Japanese of Sharp Peak, which closed the mouth of the Min River, whereafter, in a series of proclamations declaring their intention to commence hostilities against ports named, third power vessels were warned out of the other coastal ports of the area. It shortly became apparent, however, that the blockade thus declared was to be made actually effective only against the mouth of the Min River, while the evasion of it by ships sailing to Santuao and Sanchiangk'ou was more or less openly countenanced for a year. Then, on July 15, 1940, another Japanese naval proclamation was issued again closing, inter alia, Santuao and Foochow. Subsequently this proclamation was extended by another which also closed Sanchiangk'ou, and the actions of Japanese aerial and naval forces indicated a definite intention to prevent all traffic with this area. Developments proved that this was not altogether true: it was discovered that Hail'ou was not specifically covered by either of the recent proclamations, and sailings to that port have now commenced. Observers have accounted for this partial failure of both "blockades" by assuming that what the Japanese seek is not to cut off the trade entirely, but rather to control it to their own advantage; one of the Chinese who has dealt more directly with them evidently prefers to believe that the fees which the Japanese naval authorities require are really the heart of the problem.

AS

-3-

As the Embassy will recall, on June 27, 1939, the Japanese naval authorities issued a statement declaring it to be their intention to begin military operations against Foochow on that day, and requesting all third-power naval or merchant vessels to proceed to the east of a specified line beyond the mouth of the Min River. This action was tantamount to a blockade, and although a supplementary statement was issued to the effect that the Min River would remain open for passage from Sharp Peak to the sea until July 6, the mouth of the river has remained closed for all practical purposes from that date until the present time.

Subsequently the same formula of a declaration of an intention to begin hostilities in designated areas was used to close, on July 15, 1939, the ports of Cheoon Haien (諸夷縣)\*, Chuanchow (漳州)\*, and Tungshan (東山)\*; on July 19, 1939, Hinghwa Bay; on July 22, 1939, Loyuan (離源), Santuao (三都澳), and Shach'eng (沙埕); on July 28, 1939, Shanwei (汕頭)\*; and on September 6, 1939, Meichow (湄洲).

Of these ports the only two which at that time were regarded as possible coastal outlets for the city of Foochow and its hinterland - assuming that the Min River was to remain closed - were Santuao, an island in the middle of what is locally regarded as one of the finest harbors in the world, situated about equidistant between the mouth of the Min and the border of Chekiang province to the north, and Hankong, or more correctly its port,

Sanchiangk'ou

---

\*Denotes those ports not in the Foochow Consular District.

-4-

Sanchiangk'ou, the natural outlet onto Hingwa Bay of the whole Hingwa area.

When the Min River had been closed on June 27, 1939, by the capture by Japanese forces of Sharp Peak, the island commanding its entrance, the traffic which had been carried on there was quickly diverted, first to Sanchiangk'ou and then to Santuao as well. Mr. George L. Shaw, a British subject and a resident of Foochow since the opening of the Sino-Japanese hostilities, owned and operated a line of coastal steamers which had been carrying the larger part of the trade between Shanghai and the mouth of the Min River, and when the British naval authorities would no longer sanction his ships calling there, he began running them to Sanchiangk'ou.

The proclamation of the Japanese naval authorities announcing that hostilities were to commence against the Hingwa area and warning third power vessels to leave that area was issued on July 15, 1939, to take effect on July 19, 1939. The Consulate was informed on July 17 that one of Shaw's steamers, on which there were eight American nationals returning to Foochow via Shanghai, had just left the latter port for Sanchiangk'ou, which it expected to reach on the 19th. In view of the possible risks to the lives of the American passengers, inquiries as to the reported sailing were made of Mr. Shaw, who stated that his ship had received a clearance in due form from the Shanghai Maritime Customs for Sanchiangk'ou (although the Japanese warning regarding the port had already been issued), and that the British naval authorities had not objected to the trip. Mr.

Shaw

-5-

Shaw added that he himself did not believe that the blockade of that particular port would "amount to much".

The ship in fact was forced to discharge its passengers at Haik'ou, but was later able to reach Sanchiangk'ou. Later trips were made without difficulty, and frequent sailings also began to Santuao. As it became evident that while the Min River would probably remain closed indefinitely, or until the end of the hostilities, no considerable obstacles were being placed in the way of the use of Sanchiangk'ou and Santuao as coastal ports for Foochow's hinterland, most of such of the area's trade as had survived the effects of the hostilities began to move through those two points.

This situation continued, with sporadic interruptions, for over a year, and Santuao, the more northerly of the two ports, and possessed of a better harbor, developed into the principal entrapot of the whole region, a system of coolie transport under a Provincial Government monopoly having been developed to carry the traffic over the foot-paths following the routes of the former system of coastal roads (which had been destroyed as a defense measure on the outbreak of the Sino-Japanese hostilities).

The trade which thus grew up behind the backs, as it appeared, of the blockading authorities, was presumably mutually beneficial. Carried on largely by the various Provincial Government monopolies organized in this area, it unquestionably brought considerable sums into the Provincial treasury, and helped to support the rapidly  
deteriorating

-6-

deteriorating economic situation of the Province. It permitted the import of various essential articles and the export of the products of the area, two large items of which were lumber and tea. The former was used in the reconstruction of devastated areas in Shanghai and the surrounding areas, and the latter was exported abroad to create foreign exchange for the Chinese National Government. Under the circumstances a strict control of either exports or imports was almost impossible, and considerable quantities of Japanese piece-goods and other articles of Japanese manufacture found their way into northern Fukien.

On July 15, 1940, the Japanese naval authorities in Shanghai issued a proclamation in connection with the resumption of hostilities in the Hangchow Bay area which, inter alia, once more declared a blockade of Santuao and Foochow "Bay" (the mouth of the Min River). That it was the intention of the Japanese actually to enforce this second blockade of Santuao, at least temporarily, was evidenced by the fact that on July 21, 1940, a force of Japanese troops was landed on the island and burnt the village there, together with what were later stated to have been considerable stores of export cargo, although the resistance of the Chinese gendarmes who were stationed on the island forced the Japanese to withdraw the same afternoon. Japanese naval vessels remained in the vicinity, however, and trade through Santuao was brought to a standstill, and has to this date not been resumed.

Meanwhile, on July 17 twenty or more Japanese planes had heavily bombed Hankong, the town for which Sanchiang'ou

serves



-7-

serves as the port and in which quantities of import and export cargo were stated to have been stored. After the 31st of July, when the S.S. Shenhua of Mr. Shaw's line entered the harbor, no ship was permitted into Sanchiangk'ou, and the city of Hankong was again bombed on August 11. On August 12 it was reported that five vessels - all of British registry - had been waiting for days to enter the port, but had been ordered away from it by the Japanese naval vessels in Hingwa Bay.

It later became known that one of these vessels, the S.S. Shenhua, had on August 8 been approached by one of several motor launches which appeared to be Japanese, but that, when she had taken the boarding party on, they revealed themselves to be pirates and held the ship for two days, kidnapping the 2d Engineer and the radiomen, taking off over a million Yuan dollars worth of cargo, and robbing the passengers of all their money and of countless articles of jewelry and clothing, even taking the leather shoes of the travelers, many of whom were Chinese returning from the South Seas with their life savings on their persons in the form of cash or valuable articles. This act was carried out in waters controlled by the Japanese navy, with Japanese naval vessels in the vicinity at the time, and by pirates equipped with motorboats. It seems reasonable therefore to suppose that it was a part of the Japanese policy of blockading the area.

Sanchiangk'ou was bombed on August 14, and on the same day the Consulate was informed by Mr. Shaw that the issuance of Shanghai Customs clearances to that port

was

-8-

was being stopped. On the following day the office received from the Shanghai Consulate General the text of a supplementary proclamation dated August 10, 1940, extending the blockaded area to include Hingwa Bay, thus formally closing Sanchiang'ou. The area was bombed again very severely on the 15th, when the warehouses in Hankong of the Fukien Transportation Company - the Provincial Government monopoly - were all said to have been destroyed, together with what were reported to have been large stores of both import and export cargo, and probably not less than ninety persons were killed.

It thus appeared clear that the Japanese naval authorities were definitely determined to prevent the continuance of commercial or other steamer services to the coast of this area.

Evidently, however, this was not altogether true. A careful study on the part of local shippers and the Fukien Transportation Company of the wording of the Japanese naval proclamations of July 15 and August 10, 1940, revealed the fact that the small port of Haik'ou, to the east of Futsing, and between the mouth of the Min River and Hingwa Bay, was not covered by a strict interpretation of their terms, and, acting on this interpretation, the Transportation Company arranged with Mr. John L. Hendry, an American resident of Foochow who was at that time in Shanghai, where he is the head of the Hung Teh Trading Company, a "Federal Incorporated" concern, to bring one of the Moller line of coastal steamers to Haik'ou to take on a thousand tons of export cargo

-9-

cargo for Shanghai. Accordingly the S.S. Ariadne Moller was chartered, procured the regular Customs clearance for Haik'ou, and sailed on August 29. After many vicissitudes, having been stopped en route and ordered back by the Japanese, and after five of the children among her passengers had died of exposure, the ship made Haik'ou on the evening of September 3, having earlier unloaded most of her passengers at Shach'eng, a port also closed by the blockade.

At Haik'ou the S.S. Ariadne Moller unloaded her cargo from Shanghai without having received the permission of the Chinese military authorities to do so - Haik'ou is not a treaty port - and the Chinese agent of the charterer was for that reason involved in serious difficulties with the Chinese authorities which, although they were of concern to the Consulate, will not be recounted here. Suffice it to state that the Commander of the 100th Army told the writer that if he were informed in sufficient time of the type of cargo carried, etc., and the date when a ship hoped to reach Haik'ou, he would not oppose the use of the port. The conversation in which he made that statement took place on September 16, at which time the S.S. Ariadne Moller was again at Haik'ou with a number of American passengers aboard, and at the writer's request the General promptly telegraphed an order that those passengers be permitted to land and be shown every courtesy, which they were.

Since that time at least two more sailings from Shanghai to Haik'ou have been accomplished, there being a vessel in that port at this writing. Each time the  
ship

-10-

ship proceeds as if it were obliged to evade the Japanese naval vessels maintaining the blockade, but each bears all the while a Customs clearance issued in due form by the Japanese-controlled Shanghai Maritime Customs, and in each case the sailing date and probable date of arrival at Haik'ou has been well known.

Thus it may be said that the blockade declared in July, 1939, of practically every inlet on the coast, came actually to be enforced only against the mouth of the Min River, and its evasion was more or less openly countenanced for a year in the case of the both Santuao and Sanchiang'ou; the blockade of the same coast line established by the proclamations of July and August, 1940, closed both Santuao and Sanchiang'ou, but is now being again more or less openly evaded by the sailings to Haik'ou.

An interesting light on this situation is thrown by the statements made to this writer by one Mr. Howard Ling, the Foochow manager of Gallop & Company, an American firm in Shanghai. According to Mr. Ling, who has chartered on his own account ships from Shanghai to Sanchiang'ou, the matter reduces simply to one of the amount of the tariff payable to the Japanese naval authorities on each ton moved either to or from either of the two coastal ports in this district. He stated that he knew the "tax" thus paid by Mr. Shaw's steamers running to Sanchiang'ou throughout the previous year to have been Yuan \$6.00 per ton, but he did not know the exact charge for ships running to Santuao. A shipper procuring his first permit, Mr. Ling stated, paid an "application fee" of

-11-

of Yuan \$1,000, and for this payment and those made on the regular tonnage basis, he received regular receipts. Steamers for which these arrangements had been made received formal "Special Permits" good for thirty days to show to officers of any Japanese naval vessel which might intercept them. Asked why, if this arrangement had been acceptable for ships calling at Santiao and Sanchiang'ou, no shipping company had during that period sent ships to Sharp Peak, Ling replied that the question was merely one of fees: the Japanese had thought to charge from Yuan \$12.00 to \$13.00 a ton, while the shippers were unwilling to pay that amount.\*

Most of the negotiations, Mr. Ling states, have been carried on through an Amoy Chinese now in Shanghai who has extensive relations with the Japanese military and naval authorities there.\*\*

These statements, affording as they do an explanation of the consistently successfully "blockade running" of Mr. Shaw's ships and of those chartered by Mr. Ling and others, are in this writer's opinion almost certainly factual. The Japanese naval authorities apparently seek to control the trade completely, and to assume themselves that it is to their advantage, while at the same time deriving a relatively heavy tribute from it. In discussing the negotiations which he states are going on now between

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\*See Enclosure no. 1, Memorandum of conversation with Howard Ling, dated August 22, 1940.

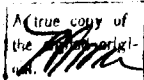
\*\*See Enclosures nos. 2 and 3, excerpts from letters from Mr. Ling dated August 26 and September 12, 1940.

-12-

between the Japanese naval authorities at Shanghai and Canton (?) on the one side and the various shipping firms at Hankong through their representatives in the respective ports on the other for the re-opening of Hankong (Sanchiang'ou), Mr. Ling writes, "Commission, indeed, is the center of bargain between the parties concerned". It is respectfully submitted in closing that while this sentence does not tell the whole story of the Japanese blockade of the northern Fukien coast, it certainly presents a good part of it.

Respectfully yours,

Robert S. Ward  
American Consul



Enclosures:

1. Memorandum of conversation with Howard Ling, dated August 22, 1940.
2. Excerpt from letter from Mr. Ling, dated August 26, 1940.
3. Excerpt from letter from Mr. Ling, dated September 12, 1940.

800  
RSW:tkw

Five copies sent to the Department, under cover of despatch no. 211, dated September 27, 1940.  
Copy to Embassy, Chungking.  
Copy to Embassy, Tokyo.

Enclosure no. 1 to despatch no. 179, dated September 27, 1940, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Status of the Japanese Blockade of the coastal ports of northern Fukien."

AMERICAN CONSULATE  
Foochow

August 22, 1940.

Confidential.

MEMORANDUM

Subject: Alleged arrangements with the Japanese for the issuance of permits to ships to call at Santung and Hankong; conversation with Howard Ling.

At the close of our conversation this morning on the subject of opening of the port of Foochow\*, Mr. Ling launched into a description of the way in which, according to him, Mr. Shaw had been able in the past to arrange for his ships to call at Santung and Hankong.

According to Mr. Ling, the go-between in these arrangements is one Mr. Whitfield, an Amoy Chinese who has taken a British name, and who, he believes, may claim to be a British subject. This Mr. Whitfield is an old acquaintance of Ling's and is married to a Foochow girl. He was for sometime the comprador of Boyd and Company at Amoy, but two years ago or more he was transferred to Shanghai and made the manager of Boyd and Company there. He was successful in making many Japanese connections, and a Japanese friend introduced him to a Japanese girl of fairly good family who became his concubine. The girl's sister, Mr. Ling states, is the wife of a Japanese colonel, and through this circumstance and his other Japanese connections Whitfield has

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\*See memorandum of even date.

-2-

has been able to establish himself as the go-between on commercial matters for various firms in their dealings with the Japanese.

When Shaw returned to Foochow and began running a line of steamers, he asked Whitfield to make the necessary arrangements through the Japanese and he did so. The terms of the arrangement, according to Mr. Ling, were a payment to the Second Fleet of the Imperial Japanese Navy of Yuan \$6.00 per ton on cargoes moved either to or from Shanghai. This was the commission paid for cargoes to Hankong, but Mr. Ling was not sure that the same commission was paid on cargoes to Santuao. According to him, Whitfield made the same arrangements for the Moller boats as he had made for Shaw, as well as for the various Greek steamers that had occasionally run between Shanghai and Hankong or Santuao.

I asked Mr. Ling if he had ever seen one of these permits. He said that he had twice seen one; that the source of his information was the Hankong manager for Shaw whom he, Ling, had introduced to Shaw, and that this individual had twice shown these special permits to Ling.

Asked to describe them, he said that they were about as large as an ordinary letter-sized sheet of paper, and bore lengthwise on their face, in Japanese, Chinese, and English, the legend "Special Permit", under which was shown the name of the steamer, with the words "Good for 30 days", and a statement that the permit had been issued by the Second Fleet of the  
Imperial



-3-

Imperial Navy.

In procuring the first permit it was necessary to pay an "application fee" of Yuan \$1,000, and Mr. Ling believes that there was also a renewal fee, but he said that he did not know its amount. He did not believe that it was necessary to pay the application fee each month. For the application fee and for the payments on the tonnage, the Japanese naval authorities issued regular receipts bearing on their face the seal of what he took to be the Second Fleet and the signature of the person who received the fees. Mr. Ling stated that the whole thing would seem very official. For arranging for these permits, Whitfield was receiving regular commissions on all business done not only from Shaw, but from Moller and several other companies, and had become very wealthy in the last two years.

I asked Mr. Ling what in his impression explained the fact that boats had not during that period been permitted to come to Sharp Peak, and he replied that the question was merely one of the fees, that the Japanese naval authorities had thought to charge from Yuan \$12.00-15.00 a ton on shipments to Sharp Peak, and that shippers were unwilling to pay that amount.

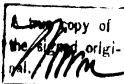
He said that if I were interested, he would try to get one of the regular receipts which had been issued by the Japanese naval authorities. I said that I would be very glad to get one, but that it would not do for it to be said that I was trying to get possession of one, and he replied that he understood perfectly and would be very careful.

It

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

-4-

It may be noted that in this conversation Mr. Ling showed what appears at least to be a surprisingly wide, accurate, and exact knowledge of a good many matters which are supposed to be confidential.



Robert S. Word  
American Consul

711.2  
RSW:hcy/tkw

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

Enclosure no. 2 to despatch no. 179, dated September 27, 1940, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Status of the Japanese Blockade of the coastal ports of northern Fukien".

AMERICAN CONSULATE  
Foochow

GALLOP & COMPANY  
FEDERAL INC., U.S.A.

P. O. BOX NO. 3  
2 King Hung Li  
Foochow, China.

August 26, 1940.

Sir:

"...For your confidential information, Mr. Geo. L. Shaw is understood to have been in close contact with the Japanese authorities in Shanghai through his representatives there in an attempt to procure permission for his boats to come to Sharp Peak. The negotiations are still in progress.

We understand from reliable sources that the Fukien Provincial Government and Admiral Lee are both in favor of the reopening of the river to shipping. They are even more anxious than we are to see our scheme successfully carried out. This is evidenced by the fact that the Fukien Trading Company, Ltd., Fukien Transport Company and Hoe Chi & Co., all of which are Government organizations, have recently chartered a Mollers' steamer to come to Haikow, Futsin, with a special pass issued by the Japanese naval authorities at Shanghai. This appears clear, therefore, that if the boat could come straight to Sharp Peak it would save them a great deal of time to transfer the goods to Haikow. Furthermore, my representative at Hankong, Hingwa, telephoned me this morning that a Greek steamer arrived at Sangkiangkow (三江山) last night discharging cargo there and is scheduled to leave for Shanghai this evening. We gather, therefore, that the Japanese naval authorities have not effectively enforced the blockade as they declared prior to August 14, 1940, and that the opportunity is still open to our scheme for shipping..."

Yours respectfully,

GALLOP & CO., FEDERAL INC., U.S.A.

(Signed) Howard Ling  
Manager.

Robert S. Ward, Esq.,  
Consul of the United States of America,  
Foochow.

Copied by: tkw  
Compared with:

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

Enclosure no. 3 to despatch no. 179, dated September 27, 1940, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Status of the Japanese Blockade of the coastal ports of northern Fukien".

AMERICAN CONSULATE  
Foochow

GALLOP & COMPANY  
FEDERAL INC., U.S.A.

P. O. BOX NO.3  
2 King Hung Li  
Foochow, China.

September 12, 1940.

Sir:

"...After we had heard of the possibility of the S.S. "Ariadne Moller" to call at Haikow and the S.S. "Paulera" to call at Hankong, the writer proceeded at once to the respective ports to make a personal and thorough investigation over the shipping situation in that area. While on board the S.S. "Ariadne Moller" we had a long interview with the compradore who unexpectedly happened to be a Hinghwa man and who associated closely with the writer in 1929 in the office of the Foochow-Chuanchow Bus Company. The compradore concerned is the man who in conjunction with Mr. F. S. Whitfield, manager of Messrs. Boyd & Co., Ltd. at Shanghai, is responsible for all negotiations with the Japanese naval authorities in respect of shipping arrangements in the Fukien area. While on the way, the S.S. "Ariadne Moller" was stopped by the Japanese marines, but after examining the special pass they permitted her to proceed to the destination. She brought in to Haikow mostly flour, and carried back to Shanghai a full cargo of tea. Until August 14, 1940, the steamer in question was chartered by Messrs. Fu Sheng (福生輪船), a shipping firm in Hankong. The contracts which they signed with Messrs. Mollers' Ltd. and the Japanese 2nd and 3rd Fleets were renewed once in three months.

We understand from reliable sources that another Mollers' steamer is due to arrive in Haikow in the near future, bringing in chiefly flour, cotton yarn, piece goods, wax, solar oil, lubricating oil, and gasoline. One of Mr. Shaw's steamers, S.S. "Shin Yu" is soon to follow up.

Hankong is understood to be reopened to shipping in the course of the next few weeks, possibly in the fortnight. Negotiations between the Japanese naval authorities at Shanghai and Canton on the one side and the various shipping firms at Hankong through their representatives in the respective ports on the other are still in progress. The prospects are bright.

Commission

Robert S. Ward, Esq.,  
Consul of the United States of America,  
Foochow.

-2-

Commission, indeed, is the center of bargain between the parties concerned. There can be no doubt, therefore, that they will arrive at a satisfactory conclusion. In the middle of August last, the Japanese laid down somewhat 40 to 50 mines along the coast of Hingwa, but so far 26 of them have been picked up by the local fishermen to whom a prize of N\$300.00 for each mine picked up has been rewarded by the Hingwa District Magistrate. The writer saw one of these mines in the City Museum of Hingwa last week. The primitive methods which the fishermen applied to pick up these mines proved very satisfactory and successful..."

Yours respectfully,

GALLOP & CO., FEDERAL INC., U.S.A.

(Signed) Howard Ling  
Manager.

Copied by: tkw  
Compared with: Hg

KD

TELEGRAM RECEIVED

146

Canton

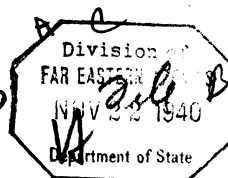
FROM Dated November 20, 1940

Rec'd. 10:55 a.m., 21st



Secretary of State  
Washington

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



105, November 20, 6 p.m.

Takashiro Japanese Consul General has

communicated to senior consul following notification  
issued by Commander in Chief South China Squadron  
of Japanese navy under date of November 19th.

"In view of the fact that the port of Shuitung  
in Kwangtung Province and its surrounding waters have  
become an important supply route of the Chiang Kai  
Shek regime the Japanese Navy decided to carry out  
successive military operations against this area.  
Consequently vessels of third powers are advised  
not to enter or leave hereafter the said port and  
its surrounding waters in order to avoid suffering  
any unforeseen disaster. Should however any third  
power vessel, disregarding the above advice, suffer  
any damages as a result of entering, leaving or  
navigating the said area of Japanese military  
operations

793-94112

793.94112/402

NOV 27 1940

FILED

-2- 105, November 20, 6 p.m., from Canton.

operations, the responsibility will not rest with the Japanese Navy but the vessel concerned. As the American position regarding notifications of this kind had been made clear to the Japanese authorities on various occasions I do not propose to reply to the communication unless instructed to do so.

Sent to the Department.

/Repeated to Chungking, Peiping, Hong Kong,

Hong Kong please inform Consopat.

MYERS.

WSB

DECLASSIFIED: E.O. 11652, 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 16, 1940

GR  
M.H.

P.H.

148

Reference attached file in regard to the M.V. Estelle L. Shanghai, in its 1205, November 6, 6 p.m., which was transmitted in gray code (checked by WAA with Code Room) identified by number and date the Department's 491, October 18, 5 p.m., which was transmitted in brown code. The matter will be called to Shanghai's attention in FE's quarterly comment.

WAA

FE:Adams:MHP



148

TELEGRAM RECEIVED

MN

FROM

LEGAL ADVISER  
JAN 11 1941  
GRAY  
DEPARTMENT OF STATE  
Shanghai via N.R.

Dated November 11, 1940

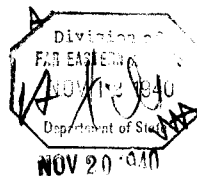
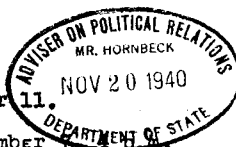
Rec'd 11:20 a.m.

Secretary of State

Washington

1233, November 11.

My 1215, November



One. Lang reported on November 4th that radio from his motor vessel ESTELLEL dated November 2, 8 a.m. stated her papers undergoing inspection by Japanese destroyer and as her daily radio message not received since November 2 he suspected she had been seized by Japanese.

Two. Inquiry made November 5 Japanese Consulate General elicited information that navy had not received complete report and hesitated to make statement. Japanese Consulate General now states navy admit seizing ESTELLEL because she had cargo aboard from Wenchow proclaimed blockaded by Japanese.

Three. Japanese Consulate General orally reported it was his opinion that navy would not release ESTELLEL until Lang agreed to cease trading in zones proclaimed blockaded by Japanese.

Four. Oral and written representations have been made to the Japanese authorities regarding detention of ESTELLEL.

355.24/555-793.94112/403

JAN 12 1941

150

MN -2- tel # 1233, November 11 from Shanghai

ESTELLEL.

Five. Shanghai's 1205, November 6, 6 p.m. and 1215,  
November 7, 4 p.m. have been repeated to Chungking and  
Peiping. Sent to the Department, repeated to Chungking  
and Peiping.

LOCKHART

NPL

754

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

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

TELEGRAM SENT 151

Department of State

TO BE TRANSMITTED  
X CONFIDENTIAL CODE X  
NONCONFIDENTIAL CODE  
PARTAIR  
PLAIN

"Br"

1940 NOV 20 PM 3 33

Washington, 20  
November 18, 1940  
4019

AMEMBASSY, DIVISION OF  
COMMUNICATIONS  
AND RECORDS  
PEIPING (CHINA) *and NR*

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

INFO: AMEMBASSY, CHUNGKING (CHINA).  
AMERICAN CONSUL, SHANGHAI (CHINA).

*205*  
Shanghai's 1233, November 11 / motor vessel Estelle L.  
One. Unless you have already done so, please transmit  
to Tokyo by air mail the telegram under reference Shanghai's  
1215, November 7, 4 p.m. and 1205, November 6, 6 p.m.  
as well as Department's 491, October 18, 5 p.m. to  
Shanghai.

Two. Department desires that Shanghai continue  
promptly to report developments in this case.

*Wells*

*Acting*

*NOV 20 1940*

*893.84/853*

*793.94112/403*

*SKH*

VAA  
FE:WAA:MHP

GA  
FE  
*my.m.h*

PA/H  
*SKH*

Enciphered by \_\_\_\_\_

Sent by operator \_\_\_\_\_ M., \_\_\_\_\_, 19\_\_\_\_

793.94112/403

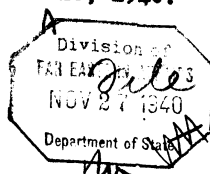
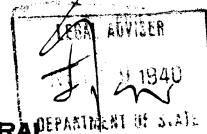
PS/DU

NO. 3521

No. \_\_\_\_\_ Embassy

AMERICAN CONSULATE GENERAL

Shanghai, China, October 16, 1940.



SUBJECT: Motor Vessel "ESTELLE L" (Form 35-  
Consular), Interference with the  
Operations of, by the Imperial  
Japanese Navy.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

For Distribution-Check		No.	No.
Grade	For	✓	✓
In U.S.A.		✓	✓

*Vyse*

SIR:

Relative to my telegram no. 1006 September 30,  
5 p.m., 1940, I have the honor to invite the atten-  
tion of the Department to Consul General Gauss'

telegram no. 1464, dated September 17, 1938, from  
this Consulate General, requesting registration of  
the Motor Vessel "ESTELLE L" and Department's reply  
no. 646, dated December 12, 1938, authorizing such  
registration in the name of Robert Lang. This  
ship has been in constant operation on the Yangtze  
River and adjacent waters since its registration  
and, during the year 1939, suffered no interference  
from the Imperial Japanese Navy. For over a year  
it has been reported to be under charter of Hwa Tai  
Motor Vessel Co., a Chinese organization. The  
1/ charter party now in effect, a copy of which is  
attached, was exhibited to this Consulate General

on

COMMERCIAL AFFAIRS  
Department of State

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AND RECORDS

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on September 18, 1940. That such an arrangement is necessary is evidenced by statement of the Dollar Company, contained in this Consulate General's despatch no. 1618, dated August 18, 1938, to which reference will be made again later. Cargo, emanating from small Chinese ports, is entirely controlled by Chinese firms. It is, therefore, imperative for purposes of profit that owners of small foreign motor boats charter their craft to Chinese organizations. That this practice is generally followed here among different nationalities is also borne out by the contents of the above mentioned despatch no. 1618.

During the present year the Japanese naval authorities have, on three occasions, seized the Motor Vessel "ESTELLE L". The first seizure occurred February 26. The ship's owner immediately, learning of the seizure by radio, reported it to this office which, in turn, made immediate representation to the Japanese, resulting in the ship's release the same day. The second seizure was reported to the Department by telegram no. 751, dated August 7, duration of seizure being six days. The third seizure was made August 26, the ship being released on September 13. The Japanese authorities attempt to justify the seizures on the ground that the ship violated the Japanese blockade of certain specified areas along the China coast, especially

-3-

especially Wenchow. Japanese notices forbidding foreign ships from entering Wenchow were reported by this office in its telegrams nos. 364, 639, 661 and 784, dated July 28, 1939, April 29, 1940, July 15, 1940 and August 15, 1940, respectively. Upon learning of the third seizure, this office, as in previous seizures, informed the Japanese authorities on September 4, that the United States Government does not recognize the blockade and reserves all rights for damages or delay caused by such attempts to embarrass American trade. The only difference in the circumstances of the last seizure and the other two is the longer period of detention and failure of the Japanese Consul General to reply to the letter of protest from this Consulate General.

Mr. Lang has informed this office that prior to the release of his ship on September 13, the Japanese naval authorities requested him to call, and, upon presenting himself at the Japanese naval headquarters, one Lieutenant Oshimo endeavored to obtain a signed statement from him to the effect that his M.V. "ESTELLE L" would not again enter the so called blockaded zone. He refused to sign such a statement whereupon Lieutenant Oshimo asked him if he were willing to promise, in the name of his charterers, that the craft would not enter the blockaded zone. Mr. Lang states, he replied that

if

-4-

if this were the only condition upon which he could secure the return of the craft he would be willing to make such a promise, but, at the same time, he pointed out to Lieutenant Oshimo that under the terms of the charter, the charterer was at liberty to enter the so-called blockaded zone at will. He further stated that at a later date, but before the release of the M.V. "ESTELLE I", the Japanese naval authorities asked him to transport certain stores and supplies to Chitou, near Wenchow, and to await off that port the arrival of the foreign missionaries to whom the supplies belonged and who were traveling from Shanghai on a Japanese coaster. He was also requested to transport back from Chitou a group of children, eleven of whom were Germans. He was afraid to give a definite refusal to the request for fear his ship would not be released. After the release he agreed to take the provisions and meet the American missionaries but refused the transportation of the children. He considered his small cargo boat unsafe to transport children.

Aside from the three seizures of the M.V. "ESTELLE I" it has been boarded on numerous occasions by the Japanese Navy. A copy is attached of the log of the "ESTELLE I" for the period August 15, 1940 to September 14, 1940. It was during this period that the third and longest seizure occurred. Relative to the hauling down of the American flag aboard the "ESTELLE I" by the Japanese, mentioned in the log,

an

-5-

an explanation has been requested.

My telegram no. 1006 dated September 30, 5 p.m., making reference to the case of the Dollar Company's tender "DOLLAR", was transmitted in order to keep the Department informed of what it may consider a lack of control over the movements of the "ESTELLE I" by its owner.

Respectfully yours,

  
Richard P. Butrick  
American Consul

✓  
Enclosures:

- 1/- Copy of charter party of the M.V. "ESTELLE I", with the original only.
- 2/- Copy of the log of the M.V. "ESTELLE I".

885

CV:Hoc

Despatch in quintuplicate

Copy to American Embassy, Chungking

Copy to American Embassy, Peiping

Copy to American Embassy, Tokyo



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

CABOTAGE & TRADING COMPANY  
Fed. Inc. USA  
~~MOLLERLINE LTD.~~  
(INCORPORATED UNDER THE COMPANIES ORDINANCES HONGKONG)

(C O P Y )

SHIP OWNERS.

HONGKONG & SHANGHAI BANK BUILDING  
30 FOOCHOW ROAD.  
SHANGHAI

Cables: MOLLERLINE, SHANGHAI

Codes : A. B. C. 5th & 6th Editions.  
Scotts 10th Edition.  
Boe's Code.  
Bentley's Complete Phrase.  
Acme.  
Lombard Shipping.

Enclosure No. 1 to despatch no. 3521  
dated October 16, 1940, of Richard P. Buttrick,  
American Consul at Shanghai, China, on the  
subject of "Motor Vessel ESTELLE L (Form 35-  
Consular), Interference with the Operations  
of, by the Imperial Japanese Navy."

## TIME CHARTER-PARTY.

It is this day mutually agreed between CABOTAGE & TRADING COMPANY  
Fed. Inc. U.S.A. the good Steamship called the "ESTELLE L."

under U.S.A. colours, of 81 Tons Register net, Engines of --  
Horse Power indicated, carrying capacity about 101 tons deadweight, including bunkers of  
about -- speed laden about 7 knots in fair weather  
on a consumption of about -- tons of best Cardiff coal per diem, built  
at Japan in 1934, classed Motor Schooner  
now trading in Eastern Waters Hwai Tai Motor Vessel Co.  
on the one part, and Messrs. --  
as Charterers on the other part:

Period

1. That the said Owners agree to let, and the said Charterers agree to hire the said Steamer for the term  
of -- calendar months from the day (such day not to be a Sunday or a  
legal holiday) the said Steamer is delivered and placed at the disposal of the Charterers with clean swept holds and  
after written notice, delivery has been given between the hours of 9 a.m. and 6 p.m.  
or between 9 a.m. and 2 p.m. if on a Saturday at Shanghai at such a wharf, pontoon or place  
immediately available and where she can always lie afloat, as Charterers may direct, she being then tight, staunch  
strong (with her complement of officers, seamen, engineers and firemen) and in every way fitted to carry ordinary  
cargo, to be employed in lawful trades with lawful, not injurious, inflammable or dangerous merchandize (such as  
acids, explosives, naphta, calcium, carbide, ferosilican, petroleum, spirits, or any of their products) also no contraband  
of war or live stock to be shipped, between good, safe and open ports in EAST ASIA. With the following trade  
limits:—

China Coast and Yangtze River Ports etc.

where she can always lie afloat, as Charterers shall direct, on the following conditions:—

Owners to  
provide

2. That the Owners shall provide and pay for all the provisions, and wages and consular shipping and  
discharging fees of the captain, officers, engineers, firemen and crew, and for the insurance of the Steamer and for all  
deck and engine-room stores, and maintain her in a thoroughly efficient state in hull and machinery for and during  
the service.

Charterers to  
provide

3. That the Charterers shall provide and pay for all coals, fuel, fresh water for passengers and compradores'  
use, water for boilers, port charges, pilotages (whether compulsory or not), wharfages, boatmen, lights, tug  
assistance, winchmen, consulages (except as named above) at ports of call and at port of Registry, canal, dock, or  
other dues and charges, agencies, commission expenses of loading, stowing, unloading, weighing, tallying and delivery  
of cargoes, surveys on hatches and protests, meals supplied to officials and men in their service and all other charges  
and expenses whatsoever including detention and expenses through quarantine (including cost of fumigation and  
disinfection) and all other charges and expenses whatsoever appertaining to cargo, vessel, (with the exceptions  
named in clause 2), or passengers.

Cargo gear

The Owners shall provide gear capable of handling lifts up to two tons and maintain the ordinary cargo gear  
of the Steamer as fitted, but gear for heavier lifts, shall be for Charterers' account.

Any other special gear including any special ropes, hawsers and chains required by the custom of the port  
for mooring shall be for Charterers' account.

All runners, ropes and slings actually used for loading and discharging shall be paid for by Charterers.

Charterers to be responsible for any damage to the Ship occasioned in the loading and discharging of cargoes.

Bunkers

4. That the Charterers at the port of delivery and the Owners at the port of redelivery shall take over and  
pay for all bunker coal remaining in the Steamer at current market price. Cardiff coal shall be excepted from the  
mutually taking over unless specially agreed to.

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

Hire	5. That the said Charterers shall pay hire for the said Steamer : <u>US\$500.00</u> <u>(Dollars Five Hundred U. S. Currency)</u> per calendar month, commencing from the time the Steamer is placed at the disposal of Charterers, and PRO RATA for any fractional part of a month (the days to be taken as fractions of a month of 30 days) until her redelivery to Owners as herein stipulated.
	The hire money shall be paid to <u>Owners</u> monthly in advance, and in default of such payment or payments, as herein specified, the Owners shall have the faculty of withdrawing the said Steamer from the service of the Charterers, without prejudice to any claim they (the Owners) may otherwise have on the Charterers under this Charter.
Loading and Discharging	6. That the cargo or cargoes shall be laden (with due regard to sea-worthiness) and discharged by Charterers stevedores at any wharf, pontoon, anchorage or berth the Charterers or their agents may direct where the Steamer can always lie safely and afloat.
Redelivery	7. That the Steamer (unless lost) shall be redelivered on the expiration of this Charter-party, with clean swept holds, in same good order as when delivered to the Charterers (fair wear and tear excepted) at <u>Shanghai</u> between the hours of 6 a.m. and 6 p.m. but the day of redelivery shall not be a Sunday or legal holiday. Charterers to give Owners not less than two weeks notice at which port and on about which day Steamer will be re-delivered. Should the Steamer be on a voyage at the expiration of the period fixed by this Charter, the Charterers are to have the use of the Steamer at the rate and on the conditions herein stipulated to enable them to complete the voyage, provided always that the said voyage was reasonably calculated to be complete about the time fixed for the termination of the Charter, so that the Steamer must be either at the port of redelivery or on her way to such port direct or via ports. Money in dispute to be deposited with approved bankers until the dispute has been settled by the arbitrators.
Cargo Space	8. That the whole reach and burthen of the Steamer including room for deck passengers also lawful deck capacity (compatible with the vessel's sea-worthiness) and spare capacity in bunkers not exceeding what she can reasonably stow and carry, shall be at the Charterers' disposal reserving only proper and sufficient space for Steamer's officers, crew, tackle, apparel, furniture, provisions and stores. When cargo is shipped on deck it shall be at Charterers' or shippers' risk and expense.
Captain	9. That the Captain shall prosecute his voyages with the utmost dispatch, and shall render all customary assistance with ship's crew. Although appointed by the Owners the Captain shall be under the orders and direction of the Charterers as regards employment, agency, or other arrangements and the Charterers hereby agree to indemnify the Owners from all consequences or liabilities that may arise from the Captain or officers personally or by agents signing bills of lading or other documents or otherwise complying with such orders, as well as from any fines imposed upon the Steamer for irregularity in the Steamer's manifest and despatch papers or for overcarrying goods. Owners shall not be responsible for number of pieces or packages except for treasure and opium, which has been received by the mate and for which bills of lading have been signed by the Captain, nor for the damage to or claims on cargo caused by bad stowage or otherwise, the stevedore being employed by the Charterers, although under the control of Captain as regards the stowage of cargo. That Treasure sent on board and signed for by Captain should be taken ashore within 24 hours after notice has been given by the Captain to the Charterers of ship's arrival, otherwise, all responsibility on the Owners and Captain's part to cease.
Responsibility for cargo and Stevedores	
Misconduct	10. That if the Charterers shall have reason to be dissatisfied with the conduct of the Captain, Officers, or Engineers, the Owners shall, on receiving particulars of the complaint, investigate the same and if necessary and practicable, make a change in the appointments.
Directions to Captain and Log Books	11. That the Charterers shall furnish the Captain from time to time with all requisite instructions and sailing directions in writing and the Captain and Engineer shall keep full and correct logs of the voyage or voyages, which logs are to be accessible and patent to Charterers or their agents. If required by Charterers a monthly extract of the log also reports for loading and discharging shall be filled up on forms provided by Charterers and signed by Captain and Chief Engineer.
Breakdown	12. That in the event of loss of time from deficiency of men or Owner's stores, breakdown of machinery or damage to hull, preventing the working of the Steamer and lasting more than twenty four consecutive hours, the hire shall cease from the commencement of such loss of time, until she be again in such efficient state to resume her service, but should the Steamer be driven into port, or to anchorage by stress of weather, or from any accidents to the cargo, or in the event of the Steamer trading to shallow harbours, rivers, or ports, where there are bars causing detention to the Steamer through grounding or otherwise, also trading to ports where ice may set in and cause detention to the vessel, time so lost and expenses incurred shall be for Charterers' account, even if caused through fault or want of due diligence by Owner's servants.
Docking	13. That the Steamer is to be drydocked, and bottom cleaned and painted at Owners expense, when necessary, in order to keep the bottom of the Steamer clean for the continued warranty of good conditions during the continuance of this Charter, but Charterers shall not order her into drydock oftener than every nine months and only in ports with suitable docking facilities available. That the time the said Steamer is not under the orders of the Charterers, while shifting and docking, shall not count under this Charter, unless it is done within 24 hours. That the time the Steamer is in drydock off Charter, while repairing, shall either be added to or deducted from the time the Steamer is engaged for under this Charter-party, but Charterers are to declare immediately after docking or repairs, what they intend to do.
Cleaning Boilers	Cleaning of boilers whenever possible to be done during service, but if impossible Charterers to give Owners necessary time for cleaning. Should the Steamer be detained beyond 48 hours hire to cease until again ready.
Negligence	14. That throughout this Charter losses or damages whether in respect of goods carried or to be carried or in other respects arising or occasioned by the following causes shall be mutually excepted, viz. The act of God, perils of the seas, fire on board, in hulk, craft, or on shore, barratry of the master or crew, enemies, pirates, robbers, or thieves, arrests and restraints of princes, rulers and peoples, collisions and strandings, explosions, bursting of boilers, breakage of shafts, or any latent defect, even if existing at the beginning of the voyage, in the hull, boiler, machinery, or appurtenances, negligences, default, or errors of judgment of the pilot master or crew or of other servants of the owners, in the management or navigation of the Steamer. The Steamer has liberty to tow or to be towed and to assist vessels in distress, and to deviate for the purpose of saving life and property. The Charterers undertake and agree that all Subcharters entered into by them, and all bills of lading for cargoes shipped whilst the Steamer is under this Charter shall contain the whole of the foregoing provisions of the clause.

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

Advances	15. That should the Captain require funds for ordinary disbursements for Steamer's account at any port, Charterers or their agents are to advance the same, subject to Insurance and rate of exchange, but free of commission and charges, such advance shall be deducted from the next hire, and the Charterers are not to be responsible for the due appropriation thereof.
Excluded ports and Icebound ports	16. That the Steamer shall not be ordered to any port where fever or pestilence is prevalent or any port blockaded or where hostilities are being carried on or any icebound port or any port where lights or lightships are to be withdrawn by reason of ice or war, or where there is risk that in the ordinary course of things the Steamer will not be able on account of ice to enter the port or to get out after having completed loading or discharging nor shall Steamer be obliged to force ice, broken or unbroken. Nevertheless; if on account of ice Captain should consider it dangerous to remain at port of loading for fear of Steamer being frozen in and/or damaged he shall have liberty (but not be obliged), to sail to a convenient open place and await Charterers fresh instructions. Should the Steamer be detained by any of the above causes such detention and any damage occasioned to Steamer shall be for Charterers account.
Not open ports and Infected ports	That should the Steamer be ordered to any "not open" port or ports in China or Japan, Charterers to find the necessary permit. That should the vessel be ordered to a port which is publicly known as infected by disease or to a port where quarantine is enforced on vessels calling there, any time lost through quarantine to be for Charterers' account regardless of the state of health of the crew. Detention and expenses from quarantine, if caused by Passengers or persons in the service of the Charterers to be for account of Charterers, if caused by the Crew to be for account of the Steamer, if caused by regulation of the Government of any of the ports of arrival or departure to be for account of Charterers.
Restrictions	17. That no cargo, passengers, letters, etc., except mails be received on board without the sanction of the Charterers or their agents.
Smuggling	18. That any fines imposed on the Steamer for smuggling, if caused by the Charterers, or by persons in the service of the Charterers, to be paid for by them, if caused by Steamer's crew, to be for Steamer's account.
Saloon Passengers	19. That the said Steamer shall carry saloon passengers for Charterers' benefit, Captain to supply the passengers with board, excluding wine and liquors, and Owners, in consideration thereof, to receive \$3.00 per day but on no account can Steamer be required to take a larger number than the saloon fittings can properly accommodate.
Meals supplied	That Charterers shall pay for all meals properly supplied to pilots, Stevedores, Tallymen and Custom House Officials.
Coolie Passengers	20. That Charterers shall pay all charges and expenses arising from taking Coolie Passengers and shall supply all provisions, galleys, fittings and fresh water etc., in accordance with the Government Ordinance and to the satisfaction of the Emigration Officer. The Captain to allow Charterers the use of the Steamer's water tanks as far as not required for the crew. If Steamer's salt water tanks are required by the Charterers all expenses for cleaning them out and cement-washing them are to be paid for by the Charterers.
Loss of steamer	That any expense incurred by Steamer being obliged to put into a port of distress in consequence of sickness or mutiny on board on account of passengers to be paid by Charterers. 21. That should the Steamer be missing, the hire shall cease from that date when she was last spoken of, or if not spoken, then from the date when last seen, and hire paid in advance and not earned shall be returned to the Charterers.
Overtime	22. That should the Charterers or their agents require the officers, engineers, firemen and crew to work on Sunday or overtime on working days before 6 a.m. and after 6 p.m. an allowance for work so performed should be paid to them by Charterers according to Charterers tariff.
Dunnage and Mats	23. That the Charterers shall supply and pay for all dunnage and mats required.
Awnings	24. That awnings if on board be spread for the protection of cargo and passengers against wind and sun.
Galleycoal	25. That all steam winches are to be placed at the disposal of the Charterers if required: one ton per month to be reckoned as used by the Steamer's galley and cost to be borne by Steamer.
Houseflag and Funnel	26. It is understood and agreed that the Steamer during the charter shall fly at the main masthead during the stay in port any private signal or houseflag which may be sent by Charterers or their agents. That the funnel if required by Charterers be painted as per their instructions. Charterers to find the necessary paint.
Compradore	27. That the Charterers provide for and pay the compradore and necessary staff for tallying and delivering cargo.
Tonnage due	28. That any unexpired Chinese Tonnage dues at commencement of Charter to be taken over and paid for by the Charterers from the time they can make use of same (viz, on first call at a Chinese port or if Charter commences at a Chinese port from commencement of Charter) and that any unexpired tonnage dues at termination of this Charter to be taken over and paid for by Owners, from the time they can make use of same (viz, 1st. call at a Chinese port after expiry of Charter, not at the port of redelivery) unless it be a Chinese port.
Salvage	29. That all salvage and assistance to other vessels be for Owners and Charterers equal benefit after deducting Master's and Crew's proportion (if any), all legal and other expenses and repairs of damage incurred, including loss of time and coal.
Sublet	30. That the Charterers shall have the option of subletting the Steamer giving due notice to the Owners, agents but the Original Charterers always to remain responsible to Owners for due performance of this Charter.
Lien	That the Owners have a lien upon all cargoes and all sub-freights for hire and general average contribution, and for all expenses and damages due under or for breach of this Charter and Charterers to have a lien on the Steamer for all moneys paid in advance and not earned.
War	31. No voyage to be undertaken that would involve risk of seizure, capture, or penalty by Rulers or Governments.

The Steamer is not to carry any contraband of war, nor to enter any port in a state of blockade or where hostilities are in progress, or pass through any fairways where hostilities are going on.

That in the event of war between the nation to whose flag the chartered Steamer belongs and any European or Eastern power or any other power operating or likely to operate in European or Eastern waters, Charterers and/or Owners shall have the option of cancelling this Charter.

If the nation under whose flag the vessel sails should be engaged in war and the safe navigation of the vessel should thereby be endangered, each party to have the option of cancelling this contract.

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

Prolongation 32. That the Charterers shall have the option of continuing the Charter for further -- calendar months on giving written notice thereof to Owners' agents at least -- days previous to the expiration of the first named period.

Time for delivery. Cancelling date 33. That the Steamer shall be delivered under this Charter: 10th June 1940 and should the Steamer not have been delivered latest on the -- day of -- Charterers to have the option of cancelling this Charter.

That should it be proved that the Steamer through unforeseen circumstances cannot be delivered by the cancelling date, Charterers, if required, shall within 48 hours after receiving notice thereof declare whether they cancel or will take delivery of the Steamer.

Arbitration 34. That any dispute arising under this Charter shall be referred to the arbitration of two persons in (Shanghai) one to be nominated by Owners' agents, and the other by the Charterers, and in case such arbitrators shall not agree, then to the decision of an Umpire, who shall be appointed by the said Arbitrators, and the award of the said arbitrators or Umpire shall be final and binding upon both parties hereto.

Average 35. General Average shall be settled according to York and Antwerp rules of 1924.

Code of Law 36. This Charter wherever entered into be construed and governed by British Law.

Penalty 37. Penalty for non-performance of this contract proven damages.

38. Charterers to be allowed to build a house on deck and to lay between decks in the Steamer at their own expense: time for putting in between decks or building house to count under the Charter, Charterers to be allowed to remove the between decks laid or house built by them, leaving the Steamer in the same good order and condition as before this Charter was commenced, time occupied by so doing to count under this Charter.

39. It is understood and agreed that Steamer to be ready at all times provided sufficient notice has been given by Charterers to go to sea at the hour fixed by Charterers or their agents.

Cattle Trade 40. Charterers are not allowed to employ or recharter the vessel in cattle trade, unless with the sanction of the Owners.

Stamps 41. Cost of stamps on this Charter-party and duplicates to be for Owners' account.

Requisition 42. Should the Steamer be requisitioned by the British Government whilst employed under this Charter, the Charter-party to be declared null and void by both the Owners and the Charterers and the Charterers bind themselves to re-deliver the Steamer immediately to Owners and Charterers to have no claim on Steamer for further services.

EXTRA CLAUSES:—

IN WITNESS whereof we have hereunto set our hands to two copies of this Charter-party, at  
( Shanghai ) this Eighth day of June,  
One Thousand Nine Hundred and Forty

In the presence of:  
(Sgd) M. C. Hsu

In the presence of:  
(Sgd) L. Sun

Cabotage & Trading Co.  
Fed. Inc. U.S.A.  
(Sgd) Robert Lang  
Owners

Hwa Tai Motor Vessel Co.  
Per (Chinese seal)  
Charterers

Compared by Hcc with Chu

Enclosure No. 2 to despatch no. 3521 dated October 16, 1940, of Richard P. Butrick, American Consul at Shanghai, China, on the subject of "Motor Vessel ESTELLE L (Form 35-Consular), Interference with the Operations of, by the Imperial Japanese Navy."

( C O P Y )

Extract from the log of the M/V ESTELLE L.

On August 13, 1940 the M/V Estelle L. left Shanghai with a cargo of A. P. C. oil on board for Kuatoo.

August 15, 1940 M/V Estelle L. has been stopped by the Japanese warship named "Kaimaru of Nippon". Officers who came on board of our ship advised us to turn back to Shanghai because Kuatao was being bombing by the Japanese Navy and that it would be dangerous for us to proceed to indicated ports. After which they left our ship. I have instantly communicated with Shanghai about condition.

The same day at 7 p.m. we have been stopped again by another gunboat named "Ku-ree" and received orders to drop anchor and wait further orders.

August 16, 1940 At 7 a.m. I hoisted signal "I want leave this place."

At 9 a.m. have received permission proceed to our destination. After noon received answer from Shanghai "Do your best proceed to Wenchow." After which we reached Wenchow harbour and at 10:30 a.m. stopped anchor outside Wenchow harbour.

August 17, 1940 4:30 a.m. shifted ship to Wan-hoo (outer port of Wenchow harbour.)

8:30 a.m. Received permission proceed to Rocky Point and await the pilot.

10 a.m. Anchored at Rocky Pt. waiting for pilot.

August 18, 1940 3:00 p.m. Pilot arrived. Waiting for tide.

6 p.m. start for Wenchow.

7:30 p.m. anchored at Wenchow.

August 19, 1940 Awaiting permission to discharge ship.

August 20, 1940 8 a.m. start discharging

5 p.m. Completely finished discharging.

August 21, 1940 waiting for cargo.

August 22, 1940 waiting for cargo.

August 23, 1940 waiting for cargo. Received letter from Wenchow Agent advising us to load tomorrow.

August 24, 1940 7:30 a.m. Alongside pontoon.

9 a.m. start loading.

5 p.m. expect to finish loading tomorrow.

August 25, 1940 9 a.m. start loading

10 a.m. completely finished loading and wait for customs examination.

3 p.m. left Wenchow.

5:45 p.m. reached Wan-hoo.

11 p.m. left Wan-hoo for Shanghai. All night I was on duty and took ship the outside route.

- 2 -

August 26, 1940 11 a.m. slept up to 3 p.m. during this time Chinese turned ship to shore.  
4 p.m. At of Shounon "Cheeco-Se" long 121°50' lot 28°23' stopped by Japanese gun boat named "Ku-ree" dropped anchor by order of G.B. "Ku-ree". The "Ku-ree" later on collided with us while we were at anchor.  
4:20 p.m. after short conversation we received permission to proceed to Shanghai.  
4:40 p.m. gunboat "Kuree" hoisted signal "You should follow me." I asked "Where are you bound" did not receive any answer.  
6 p.m. anchored by order from "Ku-ree" at place of "Shoompun" Rock named "Cheeko Se". On my quotation "1. Why do you stop me out of blockaded area. 2. Why did you first gave me permission to proceed to Shanghai and why did you bring us to this place. They answered 1. We found out that your ship has been entered Wenchow that is reason why we can stop your ship anyplace. 2. Our officer made mistake. Awaiting orders.  
8 p.m. anchored awaiting orders.  
August 27, 1940 9 a.m. ship is leaking badly.  
3:20 p.m. called for the assistance from gunboat "Ku-ree"  
4 p.m. Came assistance. I told them I have found that ship started to leak, after having been in collision with Ku-ree. And I think the ship is leaking so badly now it will be dangerous when the engineers are started. They gave no assistance and said that there was no danger and if the pumps were not enough we can use buckets. No orders.  
August 28, 1940 9 a.m. We hoisted signal "I must go to dray dock" 2. Urgently.  
9:45 a.m. officer came aboard and said that we will receive answer to day or tomorrow and that they found out that our ship was not leaking badly.  
12 a.m. Officer with soldiers remained on board The G.B. "Ku-ree" proceeding outside.  
1:30 p.m. Radio men of the "Ku-ree" took our transmitter. They told me "We borrow your transmitter for few days. Every body went on "Ku-ree"  
3:30 pm. came officers again and sealed all documents.  
August 29, 1940 Officer from transport "Kaimaru of Nippon" came said that we must proceed to "Kue-shan"  
7:30 a.m. left Ceeko-Se"  
8:30 a.m. Has to pump two-three times per hour.  
6:30 p.m. reached "Sa-pu" came officers from "Nippon Kaimaru" brought drinking water, and gave instruction to leave "Sa-pu" tomorrow at 5 a.m. by ordered course.  
August 30, 1940 5 a.m. left Sa-pu without "Nippon Kaimaru"  
8 p.m. Reached Lee-kong and anchored inside of harbour as ordered. One passenger we have taken on in Wenchow Miss. Smith has been sick for three days.

- 3 -

August 31, 1940 7 a.m. By order Japanese we can send on shore  
for food two peoples only.  
9:45 a.m. Came officer from war ship No. 51  
and told that by order his commander I must pull  
down our flag.  
I have refused to do it because I had no any  
orders about it from American Consulate. After  
my answer they pulled down our flag themselves  
and gave it to me.  
5 p.m. typhoon is coming.

September 1, 1940 7 a.m. I have sick passenger on board (Miss  
Smith) hoisted signal.  
8:30 a.m. Came on board officer in command of  
No. 51. He said that our ship crossed blockaded  
line so we must be stopped here. I asked him  
to send a doctor for my sick passenger. He  
answered let me see your passenger because I dont  
belive you. Seen passenger and went to his ship.  
9:15 a.m. Came doctor. Cant speak English.  
10 a.m. Brought medicine from No. 51  
2 p.m. typhoon.

September 2, 1940 typhoon  
" 3, " have no any news.  
8 p.m. fine weather.

September 4, 1940 3 p.m. Two British ships "Cloud Wife" and  
"thunder wife" have been in collission with  
small Italian ship which lost his anchor.  
11 p.m. We have been in collision with "Cloud  
Wife which took her anchor when they were  
starting their engines "Cloud Wife" received much  
damage on the star board side. Our ship is not  
damaged.

September 5, 1940 2 a.m. Passenger Miss Smith needs doctor  
urgently.  
12 a.m. Patrol boat brought medicine for Miss  
Smith. Passenger is very sick but Japanese  
have not given permission to send her to hospital.  
hoisted signal.  
1. Will your doctor came immediately  
2. Can I send my sick to hospital.  
8 p.m. No answer.

September 6, 1940 9 a.m. Yesterday I hoisted flag signal.  
Signal was hoisted all day did not receive reply.  
12 a.m. no answer.  
2 p.m. Came doctor from gunboat "Ha-su" Said  
nothing about Miss Smith and her sickness.

September 7, 1940 No answer no medicine for Miss Smith.

September 8, 1940 9 a.m. to day our drinking water was finished  
and crew and passengers had no food.  
5 p.m. water boat came.

September 9, 1940 8 a.m. came patrol boat brought doctor from GB  
"Ha-Su"  
10 a.m. Came officer and asked about time and  
date passing Wenchow bay.

September 10, 1940 7:30 p.m. Came officer from "Ha-su" said we  
can leave "Lee Kong" instantly but I must  
understand that our ship is not yet free but  
only transferred to Shanghai.  
8:30 p.m. Left "Lee Kong" without transmitter.  
Outside of Lee Kong No. 51 called me with flash  
signal and told that she is bringing our  
transmitter. I could not go alongside because I  
found that our rudder is broken. We must return

-4-

September 11, 1940 back to Lee-kong and repair rudder.  
2:30 a.m. Again at Lee Kong. Came  
patrol boat and brought our transmit-  
ter, and told that we should leave  
as soon as our rudder will be repaired.  
5 p.m. All fixed up ready to leave.  
September 12, 1940 7 a.m. Communicate with Shanghai by  
our transmitter O.K.  
9 a.m. Came officer in command of  
No. 51 and said that by order from  
Shanghai he must seal our transmitter  
and asked why we did not leave yes-  
terday if our rudder was repaired.  
He said you must leave as fast as  
possible.  
11:40 a.m. left Lee-kong. Weather fine.  
September 13, 1940 11:40 a.m. at Wusoong stopped by Japan-  
ese patrol boat. Stay alongside, took  
our sealed paper and asked us to anchor  
near their boat.  
1 p.m. Received back our sealed paper  
and proceeded inside to harbour.  
3:30 p.m. Anchored at Pootung Pt. wait  
order about our documents. Stay on  
board.  
September 14, 1940 9 a.m. To alongside pontoon No. 3  
received order from Mr. Lang bring  
sealed papers to office.  
9:15 a.m. arrived ambulance and took  
our sick passenger Miss Smith to  
hospital.

Copied by *[signature]*  
Compared with *[signature]*

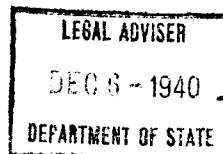


DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Blumstein NARS, Date 12-18-75

152  
TELEGRAM RECEIVED

EH

GRAY

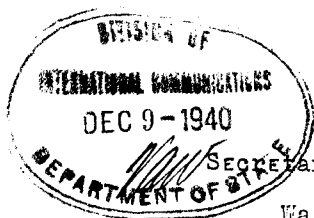


FROM Shanghai via N. R.

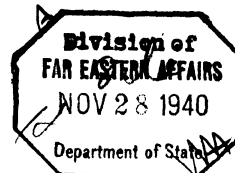
Dated November 27, 1940

Rec'd 9 p.m.

Tel. Tokyo -



Secretary of State,  
Washington.



1312, November 27, 5 p.m.

Department's 205, November 20, 4 p.m.

Japanese Consul General's reply dated November 21  
stated naval authorities are detaining ESTELLE L. and asked  
this office to advise vessel's owner to abide by regulations  
proclaimed by Japanese navy on July 15, 1940 (see Shanghai's  
telegram No. 339, July 15, 3 p.m.) which forbids foreign  
vessels to enter waters adjacent to the port of Wenchow,  
Chekiang province. Members of Japanese Consulate General  
intimate that navy will not release vessel until owner gives  
assurance that he will abide by these regulations. Further  
representations have been made to Japanese authorities con-  
cerning this vessel which has now been detained for a period  
of twenty-five days. For the Department's information on  
November 14 Shanghai customs refused, as a result of Japanese  
(pressure) [punishments], to issue clauses to ships bound for the only re-  
maining open port in Chekiang, thus completely closing the  
Chekiang

795.94112

795.94112/405

DEC 10 1940  
FUELED PS/D

153

EH -2- 1312, November 27, 5 p.m. from Shanghai.

Chekiang coast to foreign vessels.

Relative to Consulate General's request of October 16 asking the Japanese authorities to investigate log book notation that the American flag flown by the ESTELLE L. was lowered by Japanese naval hands (see Shanghai despatch 3521 dated October 16), <sup>404</sup> a categorical denial has been received from the Japanese that such act ever occurred. Master, who is of Russian nationality and who entered notation in his log, is now detained by Japanese aboard the ESTELLE.

Sent to the Department. Repeated to Chungking and Peiping. Air mail to Tokyo.

LOCKHART

EMB

155  
DECLASSIFIED: E.O. 11652, 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,

TOKYO (JAPAN) VIA SHANGHAI (CHINA).

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

526

Reference Shanghai's 1312, November 27, 5 p.m.

Please make an approach to the Japanese Foreign  
Office, in such manner as you may deem appropriate,  
and request that the Japanese Government issue in-  
structions to the concerned Japanese naval authorities  
to release without further delay the American-owned  
motor vessel Estelle L., pointing out that this Govern-  
ment does not recognize any right by Japanese naval  
authorities to apply <sup>in China</sup> regulations proclaimed by them  
to vessels under the American flag.

154  
TELEGRAM SENT

Department of State

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PARTAIR  
PLAIN

Washington, 7  
December 4, 1940

Gray  
Naval Rel

793.94112/405

93/30

793.94112/405

FE:WAA:MHP

Enciphered by

Sent by operator

M.,

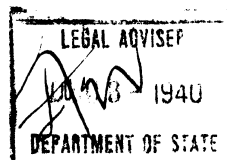
19

DEC 7 1940

155

EH

TELEGRAM RECEIVED



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ZE

Shanghai via N. R.

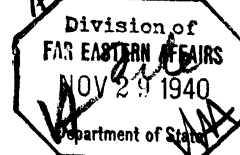
FROM

Dated November 28, 1940

Rec'd 4:10 a.m., 29th

Secretary of State,  
Washington.

COPIES SENT TO  
O.N.I. AND M.I.D.  
11/29/40 REK



1319, Twenty-eighth.

Today I received a consular body circular embodying a letter from the Japanese Consul General transmitting the following information.

"I have the honor to inform you that the Japanese South China Seas Fleet will shortly start military operations against Chinese positions in Shuitung district, Kwangtung province, and that in order that the possibility that third power vessels being involved and receiving any damage while in that district may be avoided it is desired that third power vessels refrain from entering that district.

It is therefore requested that third power authorities will immediately see that due warning be given to their respective shipping interests and that steps be taken so that their vessels do not proceed to the above mentioned district.

I shall be grateful if you will be good enough to bring the above to the immediate notice of our honorable colleagues.

The senior American naval officer present and American shipping companies in Shanghai have been informed.

Sent to Department. Repeated to Peiping, Chungking, Swatow, Hong Kong, Canton and by air mail to Tokyo.

EMB

LOCKHART

793.94112

793.94112/406

PS/GC

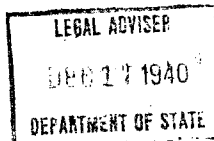
RECEIVED  
SEC-1940

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

FROM

HSM

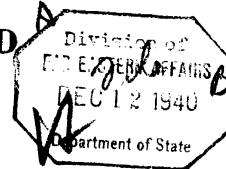


GRAY

Tokyo via Shanghai & N.R.

Dated December 10, 1940

Rec'd 9:10 a. m.



Secretary of State,

Washington.

1311, December 10, 7 p. m.

Motor Vessel ESTELLEL.

Representations made today.

Sent to Department via Shanghai.



OREW

WVC



FILED  
DEC 20 1940

733.94112/407

PS/JI

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

December 17, 1940

GA  
ROM  
LKH *Concur RLV*  
*Concur: mmh*

Reference Shanghai's 1394, December 14,  
2 p.m., in regard to the "Estellel".

The telegram under reference <sup>407</sup> shows that  
on December 14 the Estelle L was still being  
detained by the Japanese naval authorities.  
A copy of Shanghai's telegram was sent to  
Tokyo. On December 10 the Embassy made  
representations to the Japanese Foreign  
Office in regard to the case and it is sur-  
mised that the Embassy will, upon receipt of  
Shanghai's telegram under reference, supplement  
its representations.

Under the circumstances it is suggested  
that no further action be taken by the Depart-  
ment now, but that the matter be considered  
as pending for a few days at least.

793.94112/408

VAA  
FE:Adams:MHP

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

LEGAL ADVISER

DEPARTMENT OF STATE

FROM

GRAY

SHANGHAI VIA N.R.

Dated December 14, 1940

Rec'd 10:10 a.m. 15th

Secretary of State,

Washington

1394 December 14, 2 p.m.

Department's 526 December 7, 8 p.m. to Tokyo and  
Tokyo's 1311 December 10, 7 p.m. to the Department.

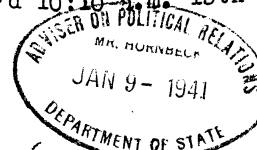
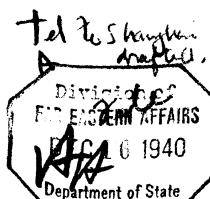
Member of crew just returned reports ESTELLE now  
detained in Chusen Harbor, Tinghai Island, near  
Ningpo by gunboat MATSUKASE which intercepted ESTELLE  
many miles from so-called blockaded zone. He also states  
radio sealed, engine fuel sprayer removed, shelter  
leaking and part of cargo damaged.

Lang, <sup>member</sup> Panaman Minister of Craft, has recently been  
in negotiation with Japanese authorities here, but no  
progress has been noted either by him or by this is  
Consulate General towards obtaining release of  
vessel.

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

LOCKHART.

PES



753.94112/408

FILED PS/11

JAN 12 1941

73.14112

Correction required  
1/15/41

156

JR

**TELEGRAM RECEIVED**

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

FROM

Tokyo via Shanghai & N.R.

Dated December 17, 1940

Rec'd 10:15 a.m., 18th.

Secretary of State,

Washington.

1331, December 17, 11 p.m.

Shanghai's 1394, December 14, 2 p.m.

In an interview with the Foreign Minister today I brought orally to his attention the further facts in connection with controversy of the American owned motor vessel ESTELLE and stated that no progress had been made toward obtaining the release of this vessel in negotiations with the Japanese authorities in Shanghai. Our request under instructions for the release of the vessel presented in a note verbale of December 10 was repeated. Sent to the Department via Shanghai.

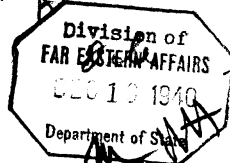
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CSB



FILED  
JAN 17 1941

PSHR



793.94112/409

79-74112



DECLASSIFIED: E.O. 11652, 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

157

TO BE TRANSMITTED  
☒ CONFIDENTIAL CODE  
☐ NONCONFIDENTIAL CODE  
PARTIAL PLAIN

Washington,

NAVAL RADIO

January 9, 1941  
*7p.m.*

AMERICAN CONSUL,  
SHANGHAI (CHINA).

INFO: AMEMBASSY, TOKYO (JAPAN).

Reference your 1394, December 14, 2 p.m. and  
Tokyo's 1331, December 17, 11 p.m., motor vessel  
ESTELLE L.

Department assumes that if the vessel in question  
has not been released, you are continuing your efforts.  
Please report present status of case.

Sent to Shanghai. Shanghai repeat to Tokyo.

793.94112/409

793.94112

*Full*  
*200*

JAN 9 1247 PM

*VAA*  
FE:WAA:OJL

*FE*  
*mm/v*

PA/H

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DEPARTMENT OF STATE  
1941 JAN 9 PM 5 16

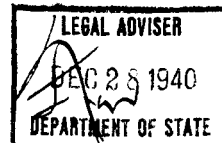
PSHR

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. Quisenberry NARS, Date 12-18-75

## TELEGRAM RECEIVED



JR

PLAIN

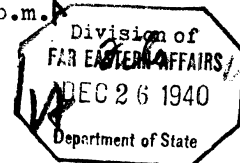
FROM Shanghai via N. R.

Dated December 24, 1940

Rec'd 6:02 p.m.

Secretary of State,  
Washington.

COPIES SENT TO  
O.N.I. AND M.I.D.  
*12/24/40 A.S.K.*



1428, December twenty-four.

Japanese Consul General in letter dated December twenty-three to senior Consul forwarded copy of proclamation issued same date by Japanese Commander in Chief of China Seas Fleet extending prohibition of shipping effective December twenty-five to following as on Kwangtung coast: The area including Deep Bay, Hailingshan Chang and their environs, encompassed by straight lines connecting the western extremity of Taioa Point and the Eastern extremity of Nampang Island, and the southwestern extremity of Nampang Island and Songyui Tsui. The area including suiting Chiang Tienpek Chiang and their environs, encompassed by straight lines connecting Sioho Point, Taifung Koh and Nekang Shan. The area including Lunemun Kong, Pakhoi Chiang and their environs north of the straight line connecting Kwantau Point and Capo Paklung.

COPY TO D.C.A.

79344112

793.94112/410

FILED  
JAN - 2 1941

A

158

-2- #1428, December 24, from Shanghai.

A copy of that proclamation is being transmitted to the Commander Yangtze Patrol for information Commander-in-Chief.

Sent to Department. Repeated Peiping, Chungking, Canton, Swatow. Air mail Tokyo.

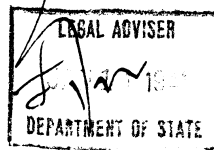
LOCKHART

NK

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



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA



AMERICAN EMBASSY

Tokyo, December 11, 1940.

No. 5198

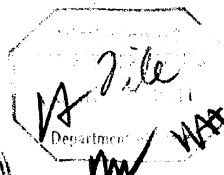
SUBJECT: DETENTION BY JAPANESE NAVAL AUTHORITIES OF THE  
AMERICAN-OWNED MOTOR VESSEL, ESTELLE L.

For Mr. [ ]	Grade	For	✓	To C. S. A.	✓
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RECEIVED  
DEPARTMENT OF STATE

1941 JAN 2 PM 3 58

BY BUREAU OF  
COMMUNICATIONS  
JAN 15 1941



793.94112/411 PS/FEED

JAN 16 1941

The Honorable  
The Secretary of State,  
Washington.

Sir:

With reference to the Department's telegram No. 526,  
December 6, 8 p.m., and the Embassy's telegram No. 1311,  
December 10, 7 p.m., regarding the detention by Japanese  
naval authorities of the American-owned motor vessel,  
ESTELLE L. at Shanghai, I have the honor to transmit here-  
1/ with a copy of the Embassy's note verbale, No. 1710, dated  
December

-2-

December 10, 1940., to the Japanese Ministry of Foreign  
Affairs, requesting the release of the above-named vessel.

Respectfully yours,



Joseph C. Grew

✓  
Enclosure:

1/ As stated.

711.2  
ESC:gt

Original and 3 copies to the Department.  
Copy to Embassy, Chungking.  
Copy to Embassy, Peiping.  
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. Quisenberry NARS, Date 12-18-75

Enclosure No. 1 to despatch  
No. 5198 of December 11, 1940,  
from the Embassy at Tokyo.

The American Embassy at Tokyo to the Imperial Japanese  
Ministry of Foreign Affairs

EMBASSY OF THE  
UNITED STATES OF AMERICA

No. 1710

Note Verbale

The American Embassy presents its compliments to the Imperial Japanese Ministry of Foreign Affairs and has the honor to state that it has been informed that the American-owned motor vessel, ESTELLE L. is being detained at Shanghai by Japanese naval authorities and that, in reply to representations made in relation to this matter by the American Consul General at Shanghai to the Japanese Consul General, the Japanese Consul General replied under date of November 21, 1940, that the Japanese naval authorities were detaining the vessel and asked the American Consulate General to advise the vessel's owner to abide by regulations proclaimed by the Japanese Navy of July 15, 1940, which forbid foreign vessels to enter waters adjacent to the port of Wenchow, Chekiang Province. It has been intimated by members of the Japanese Consulate General that the Japanese naval authorities will not release the vessel until the owner gives assurance that he will abide by those regulations.

It may be observed that the ESTELLE L. has now been detained for a period of 37 days.

Acting under instructions from its Government, the American Embassy has the honor to request that the Imperial Japanese Ministry of Foreign Affairs be so good as to cause instructions to be issued to the authorities concerned

to

-2-

to the end that this American-owned vessel be released without further delay.<sup>Kr</sup> The Ministry is doubtless aware that the American Government does not recognize any rights by the Japanese naval authorities to apply in China regulations proclaimed by them to vessels under the American flag.<sup>K</sup>

Tokyo, December 10, 1940.

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

January 9, 1941

~~cc~~  
~~JWB~~

Tokyo's despatch no. 5199, December 11, 1940, "Transmitting a Newspaper Article From The Japan Times and Advertiser of December 7, 1940, Entitled 'Japan To Promote Goodwill of China'."

The newspaper clipping enclosed quotes an article by Telichi Muto, a commentator in the Hochi.

Mr. Muto is quoted as stating that Japan and China have lost at least a century so far as their friendship is concerned; the spirit of hostility towards Japan runs through every Chinese vein; Japanese concept of China has been distorted since 1894-1895; all Chinese students studying in Japan return as champions of anti-Japanism; the two countries have been fighting for more than three years and now pacification operations are necessary; the first step is for Japan to correct their conception of China and the Chinese.

793.94112/412

147  
FE:Fales:MHP





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



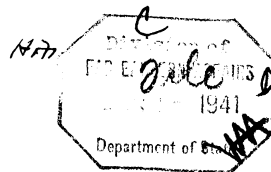
THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Tokyo, December 11, 1940.

No. 5199

SUBJECT: TRANSMITTING A NEWSPAPER ARTICLE FROM THE  
JAPAN TIMES AND ADVERTISER OF DECEMBER 7, 1940,  
ENTITLED "JAPAN TO PROMOTE GOODWILL OF CHINA".



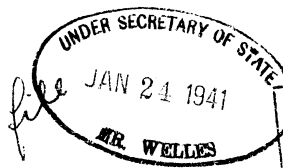
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DEPARTMENT OF STATE

1941 JAN 2 PM 3 53

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

Copy in 7.C.

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GNI-2 M/D			



COPIES SENT TO  
G. and M.D.  
1/9/41



FILED  
JAN 27 1941

The Honorable  
The Secretary of State,  
Washington.

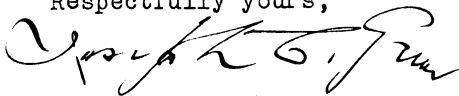
Sir:

I have the honor to transmit herewith, as of possible  
1/ interest to the Department, a copy of an article from the  
Japan Times and Advertiser of December 7, 1940, entitled  
"Japan to Promote Goodwill of China", giving the views,  
which

-2-

which originally appeared in the Hochi, of Mr. Teichi Muto, described as a well-known commentator, which are unusually critical of the attitude of superiority assumed by the Japanese toward the Chinese. Mr. Muto asserts that on account of this condescending attitude the Japanese are at least partly responsible for the present enmity felt by China toward Japan. He adds realistically that most of the Chinese students who have studied in Japan return home "as rabid champions of anti-Japanism" and that it will take many years to repair the damage done by the present Sino-Japanese war as "the Chinese have been absorbed in anti-Japanese propaganda for at least the last two decades, till now, a spirit of hostility toward this country runs through every Chinese vein."

Respectfully yours,



Joseph C. Grew

✓  
Enclosure:

1/ As stated.

710  
SEG:gt

Original and 3 copies to the Department.

Enclosure No. 1 to despatch  
No. 5199 of December 11, 1940,  
from the Embassy at Tokyo

The Japan Times and Advertiser.

Tokyo, Saturday, Dec. 7, 1940.

## JAPAN TO PROMOTE GOODWILL OF CHINA

Present Enmity Blamed on Both  
By Muto—Amity Move  
Urged

The general antipathy among Japanese and Chinese toward each other is just as much the fault of the Japanese as it is of the Chinese says Mr. Teichi Muto, well-known commentator, in the Hochi.

He observes that most of the Chinese students who have studied in this country return home as rabid champions of anti-Japonism and blames this tendency on the general contempt which Japanese have been trained to hold toward their Asiatic neighbors in the past.

### One Century Lost

"Japanese and Chinese have lost at least a century, so far as their friendship is concerned. It will take that many years to really make good the losses brought about by the present imbroglio. The Chinese have been absorbed in anti-Japanese propaganda for at least the last two decades, till now, a spirit of hostility toward this country runs through every Chinese vein.

"The Japanese, on their part, have been unconsciously trained to look down on the Chinese for the last half a century. Japanese contempt of China and the Chinese has thus, become common sense and common practice. We have been prone to praise the white men too much, and out of this excessive admiration have viewed the Chinese in a false position. We have not been able to interpret and appraise them appropriately and correctly.

"Japanese conception of China and Chinese has been distorted especially since the Sino-Japanese War, 1894-95, with the result that almost all Chinese students who were studying here went back home as champions of anti-Japonism. The Japanese must be partially responsible for this. But the Chinese, too, are responsible. Their affection for foreigners and dislike of a same-literature and same-race principle are not less than the Japanese.

"For more than three years, the two countries have been fighting and efforts must be made to bring calm after the storm. Pacification operations are necessary. Pacification here does not mean ordinary cultural enterprises contemplated by most Japanese or steps catering to Chinese people. The first step toward 'pacification' is for the Japanese to correct their conception of China and the Chinese. They must see the Chinese from the bottom of their heart in a friendly manner.

### A Happy Incident

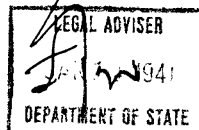
"At a certain place in China, Japanese soldiers borrowed quilts from the Chinese people, who, at first, believed they would be looted. On the following morning, the Chinese saw these soldiers sleeping in the cold while their war horses stood with the quilts covering their backs. The Chinese who saw this were really impressed and changed their opinions of Japanese soldiers, whom they thought were devils. Many former villagers came back to their homes from places of refuge. This incident spread far and wide. Necessary materials began to be supplied to Japanese soldiers more and more. The effect was far more effective than commonplace methods of pacification. When they understand our hearts well they become our friends. The only regret is that they have been influenced by anti-Japonism for so long. Their misconceptions must be corrected. This is a duty of the Japanese. When two countries cooperate, they prosper mutually, but, when they fight, both will fall. Sino-Japanese friendship must be initiated by Japan."

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

TELEGRAM RECEIVED

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GRAY

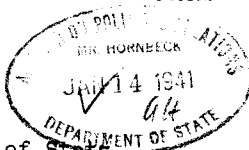


Shanghai via N. R.

FROM

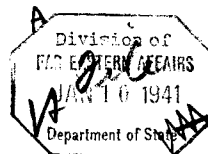
Dated January 10, 1941

Rec'd 10:30 a. m.



Secretary of State,

Washington.



38, January 10, 1 p. m.

My 1394, December 14, 2 p. m., and previous  
telegrams regarding detention of ESTELLEL.

793.94112/408 An officer of the Japanese Consulate General  
informed this office this morning that the Japanese  
naval authorities ordered release of the ESTELLEL  
yesterday afternoon. Owner of the vessel confirms  
order of release and states he expects the ESTELLEL  
to arrive in Shanghai tomorrow.

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

LOCKHART

DDM



FILED  
JAN 22 1941

793.94112/413

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  
to anyone. (br)

Tokyo via Shanghai  
& N.R.

Dated Jan. 14, 1941

Rec'd. 9:40 a.m.  
Jan. 15th

Secretary of State,  
Washington.

66, January 14, 6 p.m.

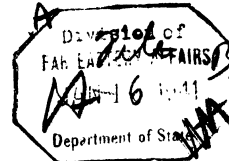
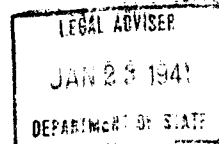
Department's 15, January 9, 7 p.m. to  
Shanghai.

The Foreign Office has just telephoned to  
state that a telegram has been received to the effect  
that the motor vessel ESTELLE L has now been released.  
They have as yet no further details.

Sent to the Department via Shanghai.

GREW.

TFV



FILED  
JAN 23 1941

793.94112/414 PS/FF

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Dated Jun. 14, 1941

Rec'd. 9:40 a.m.

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68, January 14, 6 p.m.

Department's 15, January 9, 7 p.m. to

Stronghold.

44-147-105.

Sent to the Department via S. Uyehara.

GREY.

25

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

2/4/41

~~RD~~  
~~JMT~~  
~~WAA~~

To note and file

JD

NO. 112

No. \_\_\_\_\_ (Embassy)  
AMERICAN CONSULATE GENERAL,

Shanghai, China, December 19, 1940.

COPY IN \_\_\_\_\_  
SENT TO \_\_\_\_\_  
IN \_\_\_\_\_  
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COPIES SENT TO  
O.N.I. AND M.I.D.  
2/5/41 REK

Division of  
INTERNATIONAL AFFAIRS  
JAN 25 1941  
Department of State  
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RECEIVED  
DEPARTMENT OF STATE  
JAN 22 PM 58  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS

SUBJECT: Resumé of Proclamations issued by  
Japanese Navy through the Japanese  
Consulate General, Shanghai, China,  
during 1939 and 1940.

THE HONORABLE  
THE SECRETARY OF STATE,

WASHINGTON.

Grade	Good	Yes	No
Use	Vyse	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Treasury

SIR:

I have the honor to enclose copies of a memo-  
randum prepared by Consul Clarke Vyse of my staff  
entitled "Resumé of Proclamations issued by Japanese  
Navy through the Japanese Consulate General, Shanghai,  
China, during 1939 and 1940."

Respectfully yours,

Frank P. Lockhart  
Frank P. Lockhart  
American Consul General

Enclosure:

1/- Memorandum as stated.

880

CV:Hcc

Despatch in quintuplicate

Copy to Embassy, Peiping  
Copy to Embassy, Chungking  
Copy to Embassy, Tokyo

SHIPPING REPORT

Treasury (Coast Guard)  
Maritime Commission  
Navy  
Labor Board  
Commerce

FEB 18 1941

DIVISION OF  
INTERNATIONAL COMMUNICATIONS  
FEB 11 1941  
DEPARTMENT OF STATE

T.P.



Memorandum

by

Consul Clarke Vyse

RESUME OF PROCLAMATIONS ISSUED BY  
JAPANESE NAVY THROUGH THE JAPANESE  
CONSULATE GENERAL, SHANGHAI, CHINA,  
DURING 1939 AND 1940.

The Japanese Naval authorities, through the Japanese Consulate General at Shanghai, have, commencing with the one dated February 15, 1939, issued 21 proclamations informing foreign merchant shipping and, in more recent proclamations, armed vessels of third Powers to avoid certain zones in which the Japanese Navy state they are about to assume military operations. A perusal of the

1/ excerpts of the proclamations, copies of which are attached, will reveal that the Japanese demands have become more exacting, and that the coast of China from a point slightly north of Shanghai to the neighborhood of Hainan Island, with few exceptions, is now forbidden to ships of third Powers.

Proclamations issued by Japanese Naval authorities during 1937 and 1938 pertained only to Chinese vessels.

RESUME OF PROCLAMATIONS  
ISSUED BY JAPANESE NAVY DURING 1939  
AND 1940 THROUGH THE JAPANESE CONSULATE  
GENERAL, SHANGHAI, CHINA.

(1) February 15, 1939

Haimen, Taichow Bay, Chekiang Province

"It is therefore requested that all the vessels of third Powers now at or near Haimen should evacuate by sunset on the 17th February, 1939, to a distance sufficient to avoid danger at least outside a radius of 30 nautical miles of Haimen."

"The Imperial Japanese Navy will not hold themselves responsible for any loss or damage sustained by any vessel remaining within the aforesaid region after the specified time."

(2) February 21, 1939

Harbor of Haimen, Chekiang Province

"Owing to military necessity, the Imperial Japanese Navy blocked up the Harbor of Haimen, Chekiang Province, on 19th February, 1939."

(3) March 2, 1939

Sheyang River, Kiangsu Province

"The Imperial Japanese Navy has decided to start operations shortly at Sheyang River, Kiangsu Province, and in its vicinity. It is therefore requested that appropriate measures be taken so that all vessels of Third Powers at or near Sheyang River may evacuate by sunrise on the 4th of March, 1939, to a radius of 40 nautical miles of the mouth of the Sheyang River.

-2-

(4) June 19, 1939

Haimen Channel, Kiangsu Province  
at Points Hsin Kong, Hsin Ling Tien Kong,  
and San He Chen

"The Northern bank of the Haimen Channel at points Hsin Kong, Hsin Ling Tien Kong and San He Chen in particular, is now under the occupation of Chinese guerilla forces... and on June 5, 1939 a Japanese naval patrol exchanged fires with them for nearly an hour at Hsin Ling Tien Kong. Moreover the Japanese forces are placed under the necessity of attacking them at any unforeseen moment. It is requested therefore that all third Power vessels, including warships, refrain from calling at or approaching places on the Channel downstream of Tsing Lung Kong exclusive. Should any of them happen to be on the scene of the fight despite the above request, and sustain any loss or damage getting involved in it, the Japanese authorities will not be held responsible for that."

(5) June 21, 1939

Swatow, Kwangtung Province

"The Japanese Naval authorities have decided to start operations on June 21, 1939 at Swatow, Kwangtung, and in its vicinity. It is requested therefore that appropriate measures be taken so that all the nationals and vessels of Third Powers at or near Swatow evacuate to places sufficiently distant to keep safe of the areas of operations.

(6) July 1, 1939

Swatow

-3-

Swatow, Kwangtung Province

"However, the Japanese Naval authorities, desiring to lessen the inconveniences of foreign residents in Swatow, have decided to allow a minimum number of third Power vessels to call at Swatow. Accordingly, the Commander of the Japanese Fleet on the spot is now prepared to consider the request of third Power vessels to call at Swatow under the following conditions: (1) Third Power vessel admitted to the Harbor of Swatow, so far as circumstances of military operations permit, at the rate of approximately once a week ... (2) Only mails and provisions are allowed to be discharged at Swatow ... (3) Vessels should apply at least 24 hours in advance for the consent of the Senior Staff Officer of the local fleet... (4) Hours of stay in the Harbor should be required minimum and their movements in the Harbor must be strictly in compliance with the indications given.."

(7) July 11, 1939

Chuangchow, Tungshan, and Chaoan-Hsien, Fukien Province

"The Japanese Naval forces will start military operations against Chuangchow, Tungshan and Chaoan-Hsien on Saturday the 15th July, 1939, at 8 a.m. (Japan time). It is requested therefore that third Power vessels, including Men-of-War, to leave those harbors by the time the operations commence. From that time the entrance to each of the harbors above referred to will be closed by

means

-4-

means of obstacles and dangerous objects for the necessity of military operations so that passage into or out of the harbor will become impossible after that hour. The Japanese authorities cannot assume any responsibility for losses, either direct or indirect, that might be suffered by vessels remaining in the harbors after the said hour.

"Since the areas in the vicinity of each of the above harbors will become zones of hostilities third Power nationals residing in the said areas are hereby requested to evacuate as soon as possible.

(8) July 15, 1939

Hinghwa, Fukien Province

"The Japanese Naval forces will commence military operations against Hinghwa on Wednesday the 19th July, 1939 at 8 a.m. (Japan time). It is requested, therefore, that third Power vessels, including Men-of-War, staying in Hinghwa Bay leave it by the said hour... The Japanese authorities cannot assume any responsibility for losses, either direct or indirect, that might be suffered by vessels remaining within the Bay after the said hour... Third Power nationals residing in the said areas are hereby requested to evacuate as soon as possible... The Imperial Japanese Navy will not hold themselves responsible for any loss or damage sustained by any vessel remaining within the aforesaid region after the specified time."

(9)

-5-

(9) July 15, 1939

Shan-i, Kwangtung Province

"The Japanese Naval forces will commence military operations against Shani, Kwangtung Province, on Tuesday the 18th, July, 1939 at 8 a.m. (Japan time). It is requested, therefore, that third Power vessels, including Men-of-War, staying in the said Harbor leave it by the said hour... . The Japanese authorities cannot assume any responsibility for losses, either direct or indirect, that might be suffered by vessels remaining within the harbor after the said hour... third Power nationals residing in the said areas are hereby requested to evacuate as soon as possible."

(10) July 18, 1939

Santu-Ao and Loyuan, Fukien Province  
Shacheng, Fukien Province

"The Japanese Naval forces will commence military operations against Santu-Ao and Loyuan, Fukien Province, on Friday the 21st July at 8 a.m. (Japan time), and against Shacheng, Fukien Province on Saturday the 22nd July, 1939, at 2 p.m. (Japan time). It is requested, therefore, that third Power vessels, including Men-of-War, staying in the said Harbors leave them by the hours military operations are scheduled to be commenced respectively ... The Japanese authorities cannot assume any responsibility for losses, either direct or indirect, that might be suffered by vessels remaining within the Harbors after the scheduled hours... Third Power nationals residing in the said areas be advised to evacuate

as

-6-

as soon as possible."

(11) July 18, 1939

Swatow, Kwangtung Province

Revised conditions upon which the third Power vessels are admitted to the harbor of Swatow... . "(8) Irrespective of the foregoing the Japanese authorities reserve the right to take such measures as they deem necessary, as for instance to prohibit the call of third Power vessels, when circumstances so require."

(12) July 27, 1939

Foochow, Wenchow, Chuanchow, Tungshan, Chaoan, Shan-I, Hinghwa, Santuao, Loyuan, Shacheng

"I have been informed that, judging from the experiences on the spots, not a few third Power vessels appear to have not been well informed of the notifications above referred to ... I have the honor therefore to bring to your notice a list of those harbors thus closed."

(13) August 7, 1939

Haimen Harbor, Chekiang Province

"The mouth of the harbor of Haimen, Chekiang Province will be definitely closed on August 8, 1939, at noon, Japan time (11 a.m. local time) by means of obstacles and dangerous objects, due to the necessity of military operations... ..any third Power vessels including men-of-war, which happen to be staying in the said harbor, must leave it

by

-7-

by the scheduled hour. The Japanese authorities can not assume any responsibility for losses, either direct or indirect, that might be suffered by vessels remaining within the harbor after the said hour. Third Power nationals remaining in the said areas are requested to evacuate as soon as possible."

(14) September 2, 1939

Meichow Po, Fukien Province

"The Japanese Naval forces will commence military operations against Meichow Po, Fukien Province in the morning of Wednesday the 6th September, 1939. It is requested, therefore, that third Power vessels, including Men-of-War, staying in Meichow Po Bay leave it by the said morning. From that morning the entrance to the said Bay will be closed by means of obstacles and dangerous objects for the necessity of military operations and accordingly passage into or out of the Bay will become impossible after that time. The Japanese authorities cannot assume any responsibility for losses, either direct or indirect, that might be suffered by vessels remaining within the Bay after the said morning... Third Power nationals residing in the said areas are hereby requested to evacuate as soon as possible."

(15) September 15, 1939

Wenchow, Chekiang Province

"As from September 17th at 8:00 a.m., Japan  
time



-8-

time, dangerous objects and other obstacles will further be placed at the following places, at the entrance of the Harbor of Wenchow for reasons of military necessity. (1) The channel to the west of Iyu Shan. (2) On and along the line bearing 270° from Ichiao. (3) On and along the line connecting Hsiaowu Hsing and northeastern prominent of Huang Taou Shan. The Japanese authorities cannot assume any responsibility for losses either direct or indirect, that might be suffered by Third Power vessels on account of the proposed measures."

(16) October 3, 1939

Kuaotow, Chekiang Province

"(1) The Japanese Naval forces will commence military operations against Kuaotow, located about 30 miles to the south of Wenchow, Chekiang Province, on October 6, 1939, at 8 a.m. Japan time. (2) It is requested therefore that third Power vessels including men-of-war, staying in Kuaotow Bay leave there by the scheduled time. The Japanese authorities cannot assume any responsibility for losses, either direct or indirect, that might be suffered by vessels remaining within the Bay after the said time. (3) The obstacles and dangerous objects will be placed in the neighborhood of the line running North to South at Pipashan. (4) Since the areas in the vicinity of Kuaotow Bay will become zones of hostilities, Third Power nationals residing

-9-

residing in the same areas are hereby requested  
to evacuate as soon as possible.

(17) November 4, 1939

Santu-Ao, Fukien Province

"...upon necessity of military operations  
the danger zone has been intensified and extended  
to all over the Bay of Santu-Ao as from 8 a.m.  
(Japan time) November 1st, 1939. It is requested  
therefore that Third Power vessels including men-  
of-war, will refrain from approaching the area.  
The Japanese authorities cannot assume the  
responsibility for losses, either direct or in-  
direct, that might be suffered by any Third Power  
vessels attempting to force their way across  
the Bay in disregard of the above request."

(18) April 26, 1940

Wenchow, Chekiang Province

"The Japanese Naval authorities desire that  
vessels of third Powers will take due care in  
conducting themselves in such a way that no  
doubts can be raised as to their identity.  
Furthermore the Imperial Japanese Navy cannot  
assume any responsibility for whatever eventuality  
that might befall on those merchant vessels whose  
actions are regarded as being contrary to those  
expected by the Japanese Navy. It is, therefore,  
desired that third Power shipping companies be  
advised accordingly."

(19)

-10-

(19) July 15, 1940

Hangchow Bay, Hsiangshan-Pu, Wenchow Harbor,  
Loching Wan, Chekiang Province

Santu-Ao, Layuan Wan, Foochow Bay, Fukien Province

"... As from midnight between the 15th and 16th July, 1940, entrance by all vessels, including those of third Powers, to the areas given below will be prohibited and that any vessel entering or attempting to enter the said areas in defiance of this prohibition will be detained by Naval forces under my command. Consequently, I cannot assume any responsibility for losses, either direct or indirect, that might be suffered by vessels or crews, thereof, entering or coming out of the said areas after the said time. (1) The area extending over Hangchow Bay and Hsiangshan-Pu or Nimrod Sound, enclosed by the straight line connecting Hsuehan or Middle Seshan and West Volcano Lighthouse, and longitudinal line crossing Shenkiamen of Chusan Islands and the latitudinal line crossing the southern extremity of Luhwang-Tao... (2) The area extending over Wenchow Harbor with its environs and Loching Wan enclosed by the straight line connecting Nanpai Shan and eastern extremity of Tungtou Shan and the latitudinal line crossing Panmien Shan. (3) The area extending over Santu-Ao and Layuan Wan west of 340° line from Rugged Point. (4) Foochow Bay and its environs enclosed by the longitudinal line crossing Tinghai and the 45° line from Black Head.

(20) August 10, 1940

Hangchow

-11-

Hangchow Bay, Hsiangshanpu, Foochow Harbor, Santu-Ao, and Layuan Wan extended to include Kerr I. and High Cone, High Cone and Pinghai, Pyramid Point, Chimmo Point, Singhwa Wan, Pinghai Wan, Meichow Po, Port Matheson, Chuangchow Chiang, Chimmo Wan.

"I hereby proclaim that my Proclamation on the 15th July 1940 on the prohibition of shipping in the areas including Hangchow Bay, Hsiangshanpu, Wenchow Harbor, Foochow Harbor, Santuao and Layuan Wan will be extended, by reason of military necessities, to cover the area given below, and that this proclamation will become effective as from midnight between the 14th and 15th August 1940.

"The area enclosed by straight lines connecting, from north to south, Kerr I. and High Cone, High Cone and Pinghai, Pinghai and Pyramid Point, and Pyramid Point and Chimmo Point, including in the area amongst others, Singhwa Wan, Pinghai Wan, Meichow Po, Port Matheson, Chuangchow Chiang and Chimmo Wan."

(21) November 27, 1940

Shuitung District, Kwangtung Province

"...the Japanese South China Seas Fleet will shortly start military operations against Chinese positions in Shuitung District, Kwangtung Province, and in order that the possibility that third Power vessels being involved and receiving any damage while in that district may be avoided, it is desired that third Power vessels refrain from entering that district. It is

therefore

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

-12-

therefore requested that third Power authorities will immediately see that due warning be given to their respective shipping interests and that steps be taken so that their vessels do not proceed to the above-mentioned district."



880

CV:Hcc

DECLASSIFIED: E.O. 11652, 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 4, 1941

~~FAB~~  
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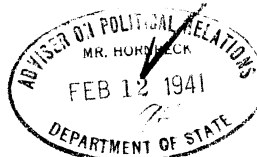
Tokyo's despatch no. 5252, December 31, 1940, "Detention by Japanese Naval Authorities of the American-owned Motor Vessel, Estelle L."

The despatch encloses an oral note informing the Foreign Office that the Estelle L. was intercepted by a Japanese gunboat far from the "blockaded zone" and is detained near Ningpo, the ship is leaking, the cargo damaged and no progress has been made with the Japanese authorities towards the release of the vessel.

*Note: A subsequent telegram has reported release of the "Estelle L."*  
*WAA*

793.94112/416

*H77*  
FE:Fales:MHP



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



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

LEGAL ADVISOR  
FEB 15 1941  
DEPARTMENT OF STATE

AMERICAN EMBASSY

Tokyo, December 31, 1940

No. 5252

SUBJECT: DETENTION BY JAPANESE NAVAL AUTHORITIES OF THE  
AMERICAN-OWNED MOTOR VESSEL, ESTELLE L.

*Copy in file*

Grade	For	In U.S.A.	No.	No.

RECEIVED  
DEPARTMENT OF STATE

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DEPARTMENT OF STATE

DIVISION OF  
INTERNATIONAL COMMUNICATIONS  
FEB 27 1941  
DEPARTMENT OF STATE

ADVISED ON POLIT. RELATIONS  
MR. HUNTER  
FEB 12 1941  
DEPARTMENT OF STATE

793.94112/416

The Honorable  
The Secretary of State  
Washington.

Sir:

With reference to the Embassy's telegram No. 1331,  
December 17, 11 p.m., regarding the detention by Japanese  
naval authorities of the American-owned motor vessel  
ESTELLE L., I have the honor to report that on December 17,  
1940, further oral representations were made on this case.

1/ A copy of the memorandum of my conversation with the Minister  
for

FILED

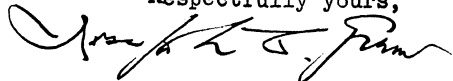
PS/JI



-2-

2/ for Foreign Affairs, together with a copy of my oral representations are transmitted herewith.

Respectfully yours,



Joseph C. Grew

Enclosures:

1/ and 2/ - as above

711.2  
ESC:rk

Original and 3 copies to the Department,  
Copy to Embassy, Chungking,  
Copy to Embassy, Peiping,  
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. Quisenberry MARS, Date 12-18-75

Enclosure no. 1 to despatch  
no. 5252 dated December 31, 1940,  
from the Embassy at Tokyo.

Conversation

December 17, 1940.

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

In my interview today with the Foreign Minister I acquainted Mr. Matsuoka with the additional facts in the case of the seizure and detention by Japanese naval authorities at Shanghai of the ESTELLE L, an American-owned motor vessel. I repeated the representations made by the Embassy in its note no. 1710 of December 10, 1940, stating that in negotiating with Japanese authorities at Shanghai no progress had been made toward the release of the vessel.

Oral statement is appended.

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. Quisenberry NARS, Date 12-18-75

Enclosure No. 2 to Despatch No. 5252  
dated December 31, 1940, from the  
Embassy at Tokyo.

Oral

On December 10, 1940, the American Embassy addressed to the Foreign Office a Note Verbale, no. 1710, requesting the release from detention for a period of 37 days by the Japanese authorities at Shanghai of the American-owned motor vessel ESTELLE L.

The Embassy now has been informed by the American Consul General at Shanghai that the ESTELLE L. was intercepted by the Japanese gunboat MATSUKASE a great distance from the "blockaded zone" and is now detained near Ningpo, in Chusen harbor, Tinghai Island. He further reports that the ship is leaking, the cargo has been damaged, the engine fuel sprayer has been removed, and the radio has been sealed. No progress has been made toward obtaining the release of this vessel in negotiations with the Japanese authorities at Shanghai.

December 17, 1940.

NO. 134  
No. \_\_\_\_\_ (Embassy)

*File*  
LEGAL ADVISER  
FEB 24 1941  
DEPARTMENT OF STATE

AMERICAN CONSULATE GENERAL  
DEPARTMENT OF STATE

Shanghai, China, December 30, 1940.

1941 JAN 28 PM 5 03

OFFICE OF THE ADVISER ON  
INTERNATIONAL COMMUNICATIONS  
FEB 17 1941  
DEPARTMENT OF STATE

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

SUBJECT: Attempt by Japanese Navy to Suppress  
Third Power Trade along China Coast.

793.94112  
THE HONORABLE  
THE SECRETARY OF STATE,  
WASHINGTON.  
FEB 27 1941  
DIVISION OF COMMERCIAL  
TREATIES AND AGREEMENTS

ON 1  
MID

SIR:

I have the honor to enclose copies of a

- 1/ memorandum prepared by Consul Clarke Vyse of my  
staff entitled "Attempt by Japanese Navy to Suppress  
Third Power Trade along China Coast."

Respectfully yours,

*Frank P. Lockhart*  
Frank P. Lockhart  
American Consul General

Enclosure:

1/- Memorandum as stated.

880  
CV:Hcc

Despatch in quintuplicate  
Copy to Embassy, Peiping  
Copy to Embassy, Chungking  
Copy to Embassy, Tokyo

DIVISION OF  
INTERNATIONAL COMMUNICATIONS  
FEB 18 1941  
DEPARTMENT OF STATE

793.94112/417

FILED

MAR - 1 1941

PS/GC

417

Memorandum

by

Consul Clarke Vyse

ATTEMPT BY JAPANESE NAVY TO SUPPRESS THIRD POWER  
TRADE ALONG CHINA COAST

When the blockade activities of the Japanese Navy (see Despatch No. 112 dated December 19, 1940) failed to prevent third Powers merchant ships from trading, the Japanese authorities ordered\* the Chinese Maritime Customs officials in Shanghai to refuse to clear ships for certain ports in the Provinces of Chekiang and Fukien which until that time had been open to foreign trade.

Today Shanghai Customs authorities are refusing clearances to vessels (unless they have Special Permits) destined to all ports in Chekiang and Fukien Provinces with one exception, namely, Haikou, situated near Foochow in the Province of Fukien. If the blockade is extended to many ports in Kwangtung Province, it is to be expected that the Customs authorities in Shanghai will be forbidden by the Japanese Navy to clear ships for those ports.

The situation existing north of Tsingtao is not familiar to the writer, but from information

received

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\*Mr. Y. Akatani (Japanese) Administrative Commissioner, Chinese Maritime Customs, Shanghai, on June 1, 1939, gave instructions to Customs Service that no ships were to be cleared for the following nine ports: (1) Haimen, Kiangsu, (2) Chitung, Kiangsu, (3) Hsinyangkong, Kiangsu, (4) Fowning, Kiangsu, (5) Haimen, Chekiang, (6) Hsiuyu (Hsiuhsu), Fukien, (7) Hinghwa, Fukien, (8) Hankiang, Fukien, (9) Chuanchow, Fukien, because of military necessity. This was the first of several similar instructions.

-2-

received the Japanese Naval control over shipping along the North China coast is apparently similar to that pertaining on the coast of Chekiang and Fukien Provinces. Since the proclamation issued by the Japanese Naval authorities under date of July 15, 1940, became effective, a considerable increase in detention and seizure of third Power merchant vessels has been noted. Reference to charts covering the areas forbidden to third Power vessels by the proclamation dated July 15, 1940 shows that it covers the main shipping routes between Shanghai and Chekiang ports and includes well known anchorages for all types of vessels in the typhoon season lasting from July to the end of September. Observance of the Japanese regulations forces ships to put to sea to ride out typhoons.

The proclamation in question gave only 24 hours to all vessels to clear the ports concerned. In several cases it was impossible for vessels to clear in the time allotted, and a number of them, upon leaving port, were detained by the Japanese Naval authorities.

Should a Japanese Naval vessel be sighted by an American or British Naval vessel while towing a seized American or British merchantman the interested Naval craft would be duty bound to come immediately to the assistance of its merchantman. It is to avoid such embarrassment that the crews of Japanese Naval vessels, operating, by one means or another, in local waters, remove at the first opportunity the flag of the seized ship. (See my telegram no. 1312 dated November 27, 5 p.m.)

793.94112/405 Aside

-3-

Aside from the previous three detentions and the present detention of the M.V. ESTELLE L, American flag, the trading of the following ships, belonging to third Powers, is reported to have recently been illegally interfered with by the Japanese Navy.

1940

Aug. 8th S.S. SHINGWHA\*, British flag, pirated by Japanese of her cargo and passengers' valuables in the amount of two million dollars, Chinese National Currency (see attached report of Master and Surveyors).

Aug. 26th M.V. ESTRELLA, Portuguese flag, detained 45 days.

Sep. 3rd S.S. MARIE MOLLER, British flag, fired upon and badly damaged, when entering port and seized upon leaving port.

Sep. 3rd S.S. JESSIE MOLLER, British flag, detained 60 days.

Sep. 4th S.S. KONGSO, British flag, detained 23 days.

Sep. 5th M.V. MARSALA, Italian flag, detained 21 days.

Sep. 7th S.S. HSIN TSEANGTAH, British flag, detained 77 days to date and still detained.

Sep. 7th S.S. READY MOLLER, British flag, detained 60 days.

Sep. 9th S.S. COMMANDANTE PAOLINE, Italian flag, detained 17 days.

Sep. 9th M.V. MINKO, Portuguese flag, detained 10 days.

Sep. 13th S.S. EDITH MOLLER, British flag, detained 17 days to date and still detained.

Nov. 4th MOHLENHOF, German flag, detained 21 days to date and still detained.

Nov. 8th PELIKUN, German flag, detained 17 days to date and still detained.

Nov.

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\*Attached report by Master of SHINGWHA does not prove that pirates were Japanese but it does tend to confirm that Japanese Naval officers permitted pirates to escape. Report sent to Department in triplicate copies.

-4-

NOV. 14th S.S. ELBHOF, German flag, detained 11  
days to date and still detained.

Nov. 15th S.S. COMMANDANTE PAOLINE, Italian flag,  
released December 10th.

Nov. 17th S.S. KONGSO, British flag, detained 2 days.

Dec. 3rd S.S. KONGSO, British flag, detained and  
still detained. Master and part of ships  
motor removed by Japanese.

880

CV:Hcc



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

( C O P Y )

BRITISH  
S.S. "SHINWA"

Telegraphic Add:  
"SHAW" Chefoo

Reg. Gross tons 1460  
Nett tons 884

Owners At the Port of Shanghai  
Shaw, Shaw & Sons, Ltd.  
(Geo. L. Shaw) Date 12th August 1940.  
Chefoo, China

Geo. L. Shaw, Esq.  
Shanghai.

Dear Sir,

I regret to report you the voy.153 from Shanghai to Sankiangkou, on the 3rd August at 4 p.m. left Shanghai for Sankiangkou with general cargo 18,494 packages by weight about 779 tons. Ship's draft fore-side 12'1" and aft-side 15'7" and 103 passengers and 205 bags of mails.

On the 6th August at 11.05 a.m. arrived at Hunghua Channel north of Amoy and saw 2 Japanese big warships anchored there guarding the entrance to Sankiangkou. Then we turned around and went for the south entrance to Sankiangkou to try to enter there. At 1.50 p.m. the same day arrived at South entrance and saw there was also anchored 2 big warships with 2 small warships watching the South entrance to Sankiangkou. Then I did not try to enter but turn around and one of the big warship with four funnels start coming out from the South Channel and coming to our direction. I, then turned back to sea and keep watching at the warship's movements, and so the other did not come out from the South Channel but left on anchor to keep watching the entrance to Sankiangkou. Then I returned and went for anchorage at High Cone, and at 5:50 p.m. the same day anchored there. On the 7th August at 10.40 a.m. weighed anchor and proceeded Hunghua Channel and try to enter by North Channel to Sankiangkou. When I come in the Channel I saw the two Japanese War ships still anchored there, and I saw also the Josephine Moller was detained by them and stay at anchor there. So, when I see that it is impossible to enter, then I returned back to anchorage by High Cone. I saw also at night when the south and north channel was guarded by Japanese warships all time by search lights. On the 8th August at 8.40 a.m. weighed anchor proceeded to Hunghua Chaneel to try enter the North Channel but saw when the Japanese Warships is still anchored at the entrance watching, so I returned and went for South Channel, to see if possible to enter by South Channel to Sankiangkou, but saw when there is still one Japanese big warship and 2 small ones guarding the entrance, and that was impossible to enter Sankiangkou, so I returned back. At 1.40 p.m. anchored at Scattered Yits. Then I inform Owner by wireless that it is impossible to enter, and awaiting his instructions. At 4.30 p.m. I observed gray painted Japanese steamer coming from the

direction

-2-

direction of Japanese warships. By the direction looks like she wants to pass by, but at 5.20 p.m. she come close to our ship and blew 2 whistles and said that she wants to come alongside to inspect our ship's registerer, and the name of the ship is "KyuZyu" and she was armed with 2 machine guns, and I see few soldiers on board. Then she come alongside and required to show the ship's registerer and told me that I must heave up anchor and proceed to the big Japanese warship. When we proceeded for the direction of Japanese warship, the armed "Kyu Zyu" followed us, and when we proceeded about 2 miles the armed soldiers by force take the ship under their control by pointing their guns and forcing the ship to go the direction they want. About 8 o'clock anchored at High Cone, the same Japanese armed steamer come alongside and about 60 to 80 soldiers boarded the ship and started robbing passengers, officers and crews, then open the hatches and start discharging cargoes of our steamer, also the passengers luggages. Later I found out the moment the Japanese armed ship come alongside, the wireless operator was arrested to their steamer, and the wireless-room was occupied by armed soldiers. So the wireless operator, 2nd Engineer and all the foreign passengers with some Chinese passengers was taken to the Japanese armed ship. About mid-night Chinese junks arrived to start discharging, cargoes and forced our crews, the compradore's staffs to help them to discharge the cargoes. And the Japanese armed steamer left about daylight, but the armed soldiers left on board to continue robbing the ship and order to discharge cargoes in the junks.

On the 9th August the ship was still under control of the armed soldiers or robbers, continuing discharging cargoes in the junks. At 10 a.m. passed Japanese armed trawler No. 14 from the direction where the robbers landing the cargoes, that is at Lam Yit by High Cone. About 11 a.m. the same day the wireless operator with the foreign passengers and the Chinese Custom Officer was sent by junk back to our ship. But the wireless operator was kept still under arrest in 2nd Engineer's cabin. The passengers later reported me that morning time they saw the Japanese armed motor trawler No. 14 was there by the Japanese ship "Kyu-Zyu" and two or three Japanese Naval men had come on board. Then some junks start loading the flour and other cargoes to the Japanese armed trawler No. 14, which was robbed from our ship.

On the 10th August at 9.30 a.m. come Japanese destroyer "Murakumo" and anchored near about quarter mile to our ship, then signalled by international code "CCX" board,s (to go on board). Then one junk with the No. 1 leader of soldier robber want to the destroyer with flour and some cargoes in the junk, but soon returned. The other robbers did not care for the Japanese warship and carry on discharging cargoes in the junks. At 9.35 a.m. 2 Japanese motor-boats from the destroyer with sailors towed 2 life boats carrying armed sailors going around our ship chasing the robbers' junks away. At 9.40 a.m. one Japanese Naval Officer and 12 ratings boarded our ship inspected the registerer and asked what time these robbers had caught us, and how much cargo is taken away by the robbers. And tell me they know it from yesterday that our ship is taken by the pirates, but it was too dark for them to come here to rescue us. Also the armed trawler No. 14

come

-3-

come and went alongside the destroyer. But when the Japanese Naval Officers with ratings boarded our ship, there still have 8 armed robbers in soldiers' uniform on board our ship yet, and the junks was not alongside our ship. Then the Japanese put the 8 armed robbers which is on soldiers' uniform in their motor-boat, and deliver it to one of the robber's junk. They did not detain these robbers, neither disarmed them, but instead one of the robber salute the Japanese Officer and spoke in Japanese language. At 10.25 a.m. the Japanese Officer with rating left our ship and ordered to go as quick as can direct to Shanghai, and that they will watch us until we get cleared away from here to sea. And we could not give any information by wireless because the wireless apparatus was apooled by the robbers. But when we get out to see, all the passengers come up to bridge, and insist that they must be landed to somewhere that they can reach to Foochow. So we proceeded to Rodd Head. At 5.50 p.m. we arrived close to that place for anchorage. But we saw one Japanese warship was there at Shing Rocks and others more far in, so we turned round and proceeded direct to Shanghai. We estimated by the ship's draft that the robbers have been discharging about 253 tons of cargoes by the weight.

Yours faithfully,

(Signed) E. Waitneek

(E. Waitneek)  
Master S.S. "SHINHWA"

Copied by *///*

Compared with *Chm*

( C O P Y )

EXTRACT OF SURVEY REPORT

S.S. "SHIN HWA" PIRACY

Shanghai to Sankiangkow

SHIPPER:- Messrs. Chu Woo & Co.      OWNER:-Messrs. Chen Tsin Siang

Bill of Lading No. 34

Mark:- B. & Co. Ltd.  
No. 2  
Steel 605

Quantity:- 467 Bags

Contents:- White Rice

Package Landed Sound 157 Bags 104 Bags Cover torn and Landed  
weight 21261 lbs. 3 Bags stained.

Package Landed Damaged 107 Bags.

Package Short Landed 203 Bags Plundered by Pirates

Bill of Lading No. 294

B & Co. Ltd.  
Mark :- 404  
Anglo Thai

Quantity:- 233 Bags

Contents:- White Rice

Package Landed Sound 108 Bags

46 Bags Cover torn and Landed weight  
9931 lbs. 2 Bags stained.

Package Landed Damaged 48 Bags

Package Short Landed 77 Bags Plundered by Pirates.

The S.S. "SHIN HWA" loaded with General Cargo for Sankiangkow sailed from Shanghai on August 3rd. 1940. On August 8th, 9th and 10th the vessel was seized by Pirates in the Hungwha Channel, who plundered the ship, and purloined a large portion of the cargo.

The vessel returned to Shanghai on August 12th. 1940. Subsequent examination of the returned cargo proved the above damage and shortage.

Shanghai, 26th August, 1940.

Marine and Cargo Surveyors.

Copied by  
Compared with

*Chu*

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 19, 1941

RFB *APR*

*Consent GA*

*GA Consent 1/17/41*

*PA/H*

Reference Tokyo's 234, February 15, 5 p.m.,  
motor vessel Estelle L.

The telegram under reference reports the receipt by the American Embassy at Tokyo of a communication from the Japanese Foreign Office affirming the right of the Japanese Navy to seize the Estelle L and stating that the vessel's violation of the blockade was open and intentional.

The motor vessel Estelle L has been released by the Japanese Navy and, as this Government has repeatedly made known to the Japanese its attitude toward attempts of the Japanese Navy to control the movements of American vessels, it is suggested that no further action be taken in this case.

793.94112/418

*MA*  
FE:Adams:MHP



161

TELEGRAM RECEIVED

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

TOKYO via SHANGHAI & N.R.

Dated February 15, 1941

Rec'd 6:55 a.m. 16th

Secretary of State

Washington

234, February 15, 5 p.m.

Department's 15, January 9, 7 p.m.

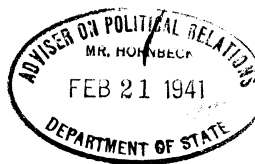
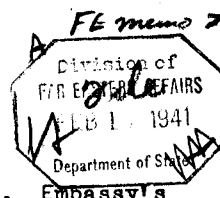
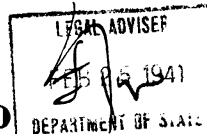
66, January 14, 6 p.m. Motor vessel ESTELLE L.

A reply has been received from the Foreign  
Office in regard to this case affirming the right of the  
Japanese Navy to seize the ship and stating that the  
vessel's violation of the blockade was open and inten-  
tional. The American authorities are asked to extend  
greater cooperation to the Japanese local authorities in  
cases of this nature.

Sent to the Department via Shanghai. Shanghai  
please repeat to Chungking, Peiping.

GREW

PEG



793.94112/418

LOC

793.94112

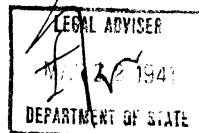
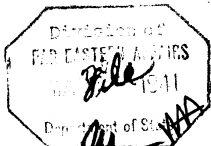
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MAR - 6 1941

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

No 227  
NO. \_\_\_\_\_, Embassy, China.

AMERICAN CONSULATE GENERAL,  
Shanghai, China

February 6, 1941.



SUBJECT: Detention by the Japanese Navy of the  
M.V. ESTELLE L.

RECEIVED  
DIVISION OF STATE  
1941 MAR 4

1941 MAR 4 2 29 PM

HONORABLE  
THE SECRETARY OF STATE.

WASHINGTON.

793.94112/403

SIR:

COMMERCIAL AFFAIRS  
Department of State

DIVISION OF  
MAR 18 1941

I have the honor to refer to this office's telegram No. 1233 of November 11, 4 p.m., concerning the detention of the M.V. ESTELLE L by the Japanese Navy on November 2, 1940.

SUMMARY.

The M.V. ESTELLE L was detained by the Japanese Navy on November 2, 1940, because, according to the Japanese Consul General, she had "contravened the regulations of navigation proclaimed by the Imperial Japanese Navy on July 15, 1940". Repeated oral and written representations were made to the Japanese authorities concerning the detention of this vessel, and she was finally released on January 9, 1941. The Japanese naval authorities intimated to the owner of the vessel that she would not be released unless he undertook to refrain from operating her in blockaded waters. After lengthy negotiations between the owner and the Japanese naval authorities at Shanghai the owner gave the desired undertaking in return for permits issued by the competent Japanese authorities enabling him to import a valuable cargo of silk from the hinterland on which he anticipates making a handsome profit. American merchants are being forced with greater frequency to resort to such devious arrangements in order to carry on trade in the Shanghai area.

As reported in the reference telegram, oral and written representations were made to the Japanese authorities

793.94112/419

PS/DB

FILED

MAR 20 1941

- 2 -

thorities regarding the detention of this vessel. In a reply, dated November 21,\* the Japanese Consul General stated that the ESTELLE L had been detained because she had "contravened the regulations of navigation proclaimed by the Imperial Japanese Navy on July 15, 1940". Furthermore, the Japanese Consul General requested me to advise the owner of the ESTELLE L that the vessel should "abide by the regulations proclaimed by the Imperial Japanese Navy in regard to navigation in Chinese coastal waters".

The detention of this vessel was made the subject of repeated, almost daily, oral representations to the Japanese authorities, who were urged to effect the early release of the ESTELLE L. The owner of the vessel also had numerous conversations with the Japanese naval authorities at Shanghai regarding this matter. The vessel was finally released on January 9, and arrived in Shanghai the following day.\*\*

As reported in this office's 1233, November 11, 4 p.m., the Japanese naval authorities intimated that the ESTELLE L would not be released unless the owner undertook to refrain from operating the vessel in coastal areas declared blockaded by the Japanese Navy. It is understood from Mr. Robert Lang, owner of the ESTELLE L, that eventually he gave the Japanese naval authorities at Shanghai a written undertaking in this sense, but that this was not given without a quid pro quo. Mr. Lang stated that during the course of his negotiations with the Japanese naval authorities he informed them

that

\* Shanghai's telegram No. 1312 of November 27, 5 p.m.

\*\*Shanghai's telegram No. 38 of January 10, 1 p.m.



- 3 -

that he would be willing to cease operating the ESTELLE I in blockaded waters provided the Japanese naval authorities would obtain permits in his behalf for the shipment into Shanghai from the hinterland of 4,000 bales of silk. According to Mr. Lang, after much bargaining the Japanese naval authorities agreed to the importation of 800 bales. Mr. Lang stated further that in pursuance of this agreement 400 bales had already been delivered to him at Shanghai, and that the balance is to be delivered next month. He added that he expected to make a handsome profit from the sale of this silk.

In connection with the above-mentioned private arrangement reached by Mr. Lang with the Japanese naval authorities, it may be remarked that American merchants are being forced with greater frequency to resort to such devious arrangements in order to carry on trade in the Shanghai area.

Respectfully yours,

  
Frank P. Lockhart  
American Consul General

880  
EFS.EA

In quintuplicate to the Department.  
Copy to Embassy, Peiping.  
Copy to Embassy, Chungking.  
Copy to Embassy, Tokyo.

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

# TELEGRAM RECEIVED

GAW

PLAIN

DEPARTMENT OF STATE

FROM Shanghai via N. R.

Dated March 17, 1941

Rec'd 7:15 a.m.

COPIES SENT TO  
OFFICE OF THE  
3/18/41 R&K

Secretary of State ,  
Washington.

298, Seventeenth.

The commander-in-chief of the Japanese China Seas

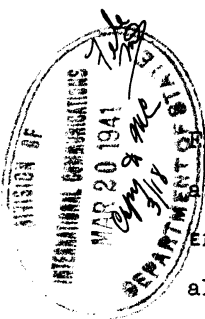
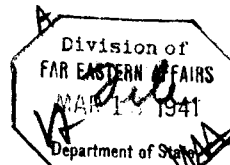
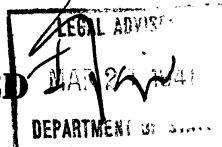
fleet has extended the prohibition of shipping in certain areas on the China coast to the following area: "the entire area of Haitan Strait and its environs extending along the China east seacoast between Black Head in the north and Kerr Island in the south, which is encompassed by the western seacoast of Haitan Island and by two straight lines, one connection Saian point in the northern extremity of Haitan Island with Black Head, and another connecting Haitan Point on the southern extremity of the island with Kerr Island."

The above is a broadening of the area embraced in the commander-in-chief's proclamation of July 15, 1940 (see Shanghai's number 639, July 15, 3 p.m., 1940)

Sent to the Department. Repeated to Chungking and Peiping. Copy via air mail to Tokyo.

LOCKHART

HSM



793.94112/420

PS/JHS

FILED

MAR 24 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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

3/20/41

~~C.C.~~  
~~S.A.~~  
W.A.A.

Tokyo #5390. Feb. 25, 1941.  
Foreign Office note in  
regard to the Estelle L.

Covered by previous telegram

147

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



THE FOREIGN SERVICE  
RECEIVED  
OF THE  
UNITED STATES OF AMERICA  
DEPARTMENT OF STATE

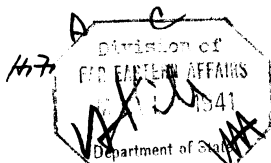
1941 MAR 17 PM 3 11

AMERICAN EMBASSY

Tokyo, February 25, 1941.

No. 5390.

SUBJECT: TRANSMITTING TRANSLATION OF A NOTE FROM THE  
FOREIGN OFFICE IN REGARD TO THE DETENTION OF  
THE AMERICAN-OWNED MOTOR VESSEL, ESTELLE L.



Copy in F.E.

ON 12 MID

COPY SENT TO  
C. H. H. H. H. H.  
3/4/41 REK

The Honorable

The Secretary of State,  
Washington.

Sir:

I have the honor to refer to the Embassy's telegram  
no. 234, February 15, 5 p.m., via Shanghai, stating that a  
reply had been received from the Foreign Office in regard to  
the detention by Japanese naval authorities of the American-  
owned motor vessel ESTELLE L., and to enclose the Embassy's  
translation of the note in question.

The



APR 2 - 1941

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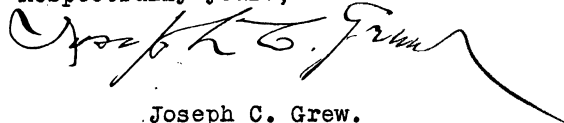
793.94112/421

PS/D

-2-

The Foreign Office note acknowledges the Embassy's note verbale no. 1710 of December 10, 1940, and my oral statement of December 17, 1940, and states that its reply is based on a report received from Japanese Government authorities in the area concerned. The ESTELLE L. is stated to have been discovered on July 29, 1940, navigating in an area declared blockaded by the Commander-in-Chief of the Japanese Fleet in China on July 15, 1940, and since the vessel had been previously inspected on July 17 and duly informed of the blockade declaration, the present violation is characterized as having been committed "openly and intentionally". The note continues: "the Imperial Navy cannot overlook an action, irrespective of the person committing it, which reduces the effectiveness of its blockade of the China coast enforced as a matter of strategic necessity against the Chiang Kai-shek regime." The desire of the Japanese authorities to effect local solutions of such problems is emphasized and it is pointed out that the owner of the ESTELLE L. was permitted to compensate for his losses by purchase of Chinese silk in other areas and that the ship was released on January 9, 1941, by the local authorities. The note concludes by asking for correct understanding of the intentions and efforts of the Japanese authorities and greater cooperation with them.

Respectfully yours,



Joseph C. Grew.

711.2/  
JKE:C

Enclosure:

1/ As stated above.  
Original and 3 copies to Department.  
Copy to Embassy, Peiping;  
" " " Chungking;  
" " 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. Quisenberry NARS, Date 12-18-75

Enclosure No. 1 to despatch  
No. 5390 dated FEB 25 1941  
from the Embassy at Tokyo.

Translation by the American Embassy at Tokyo of a memorandum in Japanese received from the Foreign Office on February 13, 1941.

No. 16/-American I.

Ministry of Foreign Affairs,  
Tokyo, February 12, 1941.

Memorandum

The Imperial Ministry of Foreign Affairs presents its compliments to the American Embassy at Tokyo and has the honor to acknowledge the receipt of the Embassy's memorandum No. 1710 of December 10, 1940, and the note of His Excellency the American Ambassador, Mr. Grew, under date of December 17, 1940, handed to Foreign Minister Matsuoka, concerning the case in which the American-owned motor vessel Estelle L was detained by Japanese naval authorities. The Ministry now forwards to the Embassy the following reply based upon a report received from Japanese governmental authorities in the area concerned.

On July 29, 1940, at 10:00 a.m., an Imperial man-of-war perceived a merchant ship navigating in the Fotu Channel. As the channel is included in the blockaded area of the Imperial Navy as declared by the Commander-in-Chief of the Imperial Fleet in China on July 15, 1940, the said man-of-war immediately ordered the merchant ship to stop and thereupon inspected the vessel. As a result, it was found that the ship was an American merchant vessel, the Estelle L, and that it was carrying a large quantity of machine-oil loaded at Shanghai and destined for Kuaotow.

The

-2-

The Imperial Navy, accordingly, seized the ship.

The aforementioned ship was inspected on July 17, 1940, by an Imperial warship off Tapesan which is within the blockade area mentioned. At that time, however, as the vessel was unaware of the declaration of the said blockade by the Imperial Navy, it was released after having been notified by the Imperial man-of-war of the blockade declaration and having been furnished with a copy of said declaration. In view of this fact, the present violation of the blockade by this vessel must be regarded as having been committed openly and intentionally and the Imperial Government considers it a matter of great regret.

It is a self-evident fact that the Imperial Navy can never overlook an action, irrespective of the person committing it, which reduces the effectiveness of its blockade of the China coast enforced as a matter of strategic necessity against the Chiang Kai-shek regime. However, as a matter of convenience and so far as circumstances will permit, the Japanese authorities in the area concerned follow a policy of treating cases of this type as local questions. A permit was given to the owner of the vessel enabling him to purchase Chinese silk in other areas, and thus to compensate for business losses sustained since last year as a result of the blockade. At the same time it was explained to him that he must guarantee that there would be no more violations of the blockade line by his vessel in the future. However, as the owner of the vessel insisted upon reserving the right of claiming compensation for damages sustained by the ship during its detention, the negotiations, about to reach a successful conclusion, were

unavoidably

-3-

unavoidably suspended for the time being. The local Japanese authorities, however, having decided to handle the case independently of the afore-mentioned question of compensation, released the ship on January 9, 1941, on the conditions specified above.

As is clear from the above, the Japanese authorities in the area concerned desire, in settling a case like this, to effect as practical a solution as possible. Accordingly, it is considered that a great contribution will be made to the speedy settlement of local problems, if the American authorities correctly understand the true intentions and the efforts of the Japanese authorities and extend greater cooperation to them.



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

3/27/41

~~MEMO~~

The shipping ban  
mentioned in Shanghai's  
343 applies to that  
portion of the Kwangtung  
Coast about midway  
between Hong Kong and  
Swatow.

50

TELEGRAM RECEIVED

PLAIN

EH

Shanghai via N. R.

FROM

Dated March 25, 1941

Rec'd 8:34 p.m.

COPIES SENT TO  
C.N.I. AND M.I.D.  
3/26/41 J.E.K.

Secretary of State,

Washington.

343, Twenty-fifth.

My 298, Seventeenth.

Commander-in-Chief of Japanese China Seas Fleet has extended the prohibition on shipping along the China coast to the following area effective March 25, 1941:

The entire areas on Honghai Wa and Kitchioh Wan and their environ extending along the Chinese sea coast between Tongmi Chiao in the north and Fokai Point in the south, which is encompassed by two straight lines, one connecting Tongmi Chiao with Chilang Chiao and the other connecting Chilang Chiao with Fokai Point.

Sent to Department. Repeated to Chungking, Peiping, Canton, Swatow. By airmail to Tokyo.

LOCKHART

NK



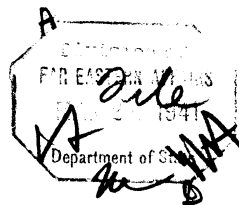
793.94112/422

PS/JHS

DIVISION OF  
COMMERCIAL AFFAIRS  
MAR 31 1941  
Department of State

793.94112

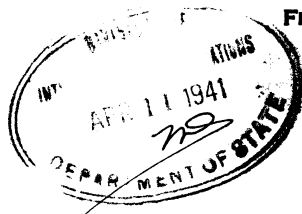
FF  
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Chusid NARS, Date 12-18-75

## TELEGRAM RECEIVED

EH



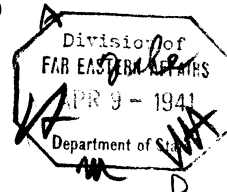
FROM

PLAIN

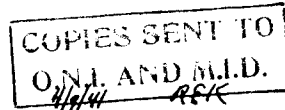
Canton via N. R.

Dated April 9, 1941

Rec'd 5:15 a.m.,



Secretary of State,  
Washington.



17, Ninth.

Japanese authorities have announced that owing to military necessity the Pearl River will be closed to traffic from today until April thirteenth.

Sent to the Department. Repeated to Peiping, Chungking, Hong Kong.

MYERS

NK

793.94112/423

793.94112

APR 12 1941

FILED

PS/BAS

TELEGRAM RECEIVED

KD

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

CANTON VIA N.R.

Dated April 12, 1941

Rec'd. 5:20 a.m.

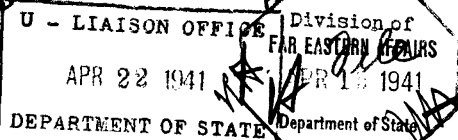


ORAL COMMUNICATIONS ORALLY

TOKYO AND MID 4/14/41 70  
Secretary of State,

Washington.

18, April 12, noon.



Reference my telegram no. 17, April 9,

reporting the closing of the Pearl River and Hong  
Kong's April 8, noon concerning troop movements.

According to an official communication from  
the Japanese Consulate General the authorities  
concerned have canceled April 13 as the date of  
reopening of the river. However there is reason  
to believe that it will be reopened early next  
week.

Although official information in regard to  
"military necessity" for the closure of the river  
is not obtainable. Indications during the past few  
days are that Japanese troops in Canton are being  
replaced by new units. According to one informant  
a considerable number of troops is leaving here and  
it seems likely that their destination is Hainan.  
It is said that the commander in chief of the

enormous

FW 793.9412  
/424

FW 793.9412/424

FILED

PS/LOC

APR 24 1941

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

-2- 18, April 12, noon, from Canton via N. R.

enormous China forces is accompanying them--Hainan is within his command. There is no evidence that the number of airplanes based at Canton has been increased.

Sent to the Department, repeated to Chungking, Peiping, Hong Kong.

MEYERS.

OSB

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

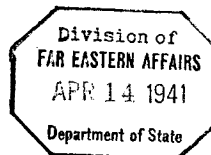
CANTON VIA N.R.

Dated April 12, 1941

Rec'd 5:20 a.m.

Secretary of State,  
Washington.

*See  
corrected  
copy*



18, April 12, noon.

Reference my telegram no. 17, April 9, reporting  
the closing of the Pearl River and Hong Kong's April 8,  
noon concerning troop movements.

(?) an official communication from the Japanese  
Consulate General (?) concerned have canceled April  
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there is reason to believe that it will be reopened  
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are that Japanese troops in Canton are being replaced  
by new units. According to one informant a considerable  
number of troops is leaving here and it seems likely  
that their destination is Hainan. It is said that the  
commander in chief of the enormous China forces is  
accompanying them--Hainan is within his command. There

is

793.94112/424

PS/JHS

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- #18, April 12, noon, from Canton via N. R.

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Canton has been increased.

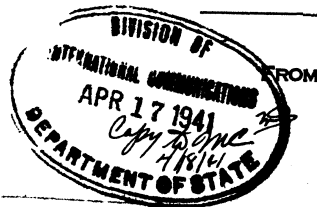
Sent to the Department, repeated to Chungking,  
Peiping, Hong Kong.

MEYERS.

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



JR

PLAIN

Canton via N. R.

Dated April 14, 1941

Rec'd 9:42 a.m.

COPIES SENT TO  
O.N.E. AND O.L.D.  
4/15/41 REK

Secretary of State,  
Washington.

19, April 14, noon.  
My 17, / 793.94112/423

Pearl River will be reopened from tomorrow April 15.

Sent to Department repeated to Paiping, Chungking  
Hong Kong.

MYERS

CSB

FE  
112

793.94112/425

PS/BAS

FILED  
APR 18 1941



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

TELEGRAM RECEIVED  
PLAIN

Shanghai via

FROM Dated April 18, 1941

Rec'd 6:18 p.m.

COPIES SENT TO  
O.N.I. AND M.I.D.  
4/19/41 REK

Secretary of State,  
Washington.

446, Eighteenth. / 422  
My 343, March twenty-fifth.

Commander-in-Chief Japanese China Seas Fleet  
issued proclamation seventeenth effective midnight  
nineteenth extending prohibition of shipping to follow-  
ing areas.

"One. The entire areas to the west of Macao ex-  
tending along the Kwangtung seacoast between the point  
at one thirteen degrees thirty minutes east longitude in  
the north and Tai Oa Point in the south, which is en-  
compassed by four straight lines: the first connection  
the western extremity of Tai Oa Point and the eastern  
extremity of Nampang Island, the second connecting the  
eastern part of Nampang Island and St. John Point on the  
southern extremity of Shanghwen Tao, the third connecting  
St. John Point and the southeastern extremity of  
Tahengchin Tao, and the fourth running at one thirteen  
degrees thirty minutes east longitude.

Two.



793.94112/426

PS/FLR

FILED  
APR 23 1941

793.94112

426

EH #2- 446, April 18, from Shanghai.

Two. The entire areas of Bias Bay extending along the Kwangtung seacoast between Fokai Point in the north and Tapenchiao in the south, which is encompassed by a straight line connecting Fokai Point and Tapengchiao.

Three. The entire area of Klatze Chiang and Shenchuan Chiang and their environs, extending along the Kwangtung seacoast between Breaker Point in the north and Tongmi Chiao in the south which is encompassed by a straight line connecting Breaker Point and Tongmi Chiao".

Sent Department. Repeated Chungking, Peiping, Canton, Swatow. By airmail to Tokyo.

LOCKHART

NK

(CIRCULAR 124-G-VII)

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO  
HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO  
CIRCULATE THE FOLLOWING FOR THEIR INFORMATION.  
(Letter from the Consul-General for Japan to the  
Senior Consul.)

1941 MAY 19

URGENT

No. 3.

COM. DIVISIONS  
AND BUREAUS

Copy in FE

April 17th, 1941.

Sir and dear Colleague,

With reference to Mr. Miura's letter No. 13 of  
July 15th, 1940, (Senior Consul's Circular 206-G-VII)  
enclosing a copy of the Proclamation of even date on  
military operations at certain points on the Chinese coast  
made by the Commander-in-Chief of the China Seas Fleet of  
the Imperial Japanese Navy, another letter No. 15 of August  
10th, 1940, (Senior Consul's Circular 234-G-VII) and also  
three of my letters Nos. 28, 1 and 2 of December 23rd, 1940,  
March 15th and March 24th, 1941, respectively (Senior Consul's  
Circulars 398-G-VII, 87-G-VII and 94-G-VII) enclosing each  
copy of successive proclamations extending the areas covered  
by the above proclamations, I have the honour to enclose  
herewith the sixth Proclamation of today's date made by  
Admiral S. Shimada. This Proclamation purports to extend  
further the areas covered by the previous proclamations to  
certain parts on the coast of Kwantung Province and will be-  
come effective as from midnight, Japanese Time, between the  
19th and 20th April, 1941.

I shall be grateful if you will be good enough to  
bring the above to the urgent notice of our honourable  
Colleagues.

I have the honour to be,  
Sir and dear Colleague,  
Your obedient servant,  
(Sgd) T. Horiuchi,  
Consul-General.

Poul Scheel, Esquire,  
Consul-General for Denmark  
and Senior Consul,

Shanghai.

(Continued)

793.94112/427

PS/HK

MAY 26 1941

RECEIVED

427

(CIRCULAR 124-G-VII)

PROCLAMATION

I hereby proclaim that my Proclamation on the 15th July, 1940, on the prohibition of shipping in certain areas on the Chinese coast will be extended, by reasons of military necessities, to cover the areas given below as from midnight, Japanese Time, between the 19th and 20th April, 1941.

1. The entire areas to the west of Macao, extending along the Fukien sea-coast between the point at 113°30' east longitude in the north and Tai Oa Point (大鵝角) in the south, which is encompassed by four straight lines: the first connecting the western extremity of Tai Oa Point and the eastern extremity of Nampang Island (南朋島), the second connecting the eastern part of Nampang Island and St. John Point (上川角) on the southern extremity of Shangchuan Tao (上川島), the third connecting St. John Point and the south-eastern extremity of Tahengchin Tao (大橫琴島), and the fourth running at 113°30' east longitude.

2. The entire areas of Bias Bay (大亞灣) extending along the Fukien sea-coast between Fokai Point in the north and Tapengchiao (大鵬灣) in the south, which is encompassed by a straight line connecting Fokai Point and Tapengchiao.

3. The entire areas of Kiatze Chiang (甲子港) and Shenchuan Chiang (神泉港) and their environs, extending along the Fukien sea-coast between Breaker Point (蓮花峯角) in the north and Tongmi Chiao (田尾角) in the south which is encompassed by a straight line connecting Breaker Point and Tongmi Chiao.

S. Shimada  
Commander-in-Chief of the  
China Seas Fleet of the  
Imperial Japanese Navy.

On board the "Idzumo", I.J.M's.N.  
Shanghai,  
April 17th, 1941.

Received, Secretariat, April 17th, 2 p.m.  
Circulated, April 17th, 1941.

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

June 5, 1941

~~FAS:~~  
~~CC:~~

~~JD:~~  
~~GA:~~

WAA

Canton's despatch 251, April 21, 1941,

According to the despatch the routine visit of the U.S.S. Mindanao to Canton had to be postponed from April 7 to April 16 because of the closing of the Pearl River by the Japanese under the allegation of "military necessity". On several previous occasions the movements of both British and American gunboats have been thus affected.

The despatch encloses a memorandum of conversation between the Consul General and the Japanese Acting Consul General on the subject.

793.94112/428

H77  
FE:Fales:FRE

KY

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

NO. 251

THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

For U.S. Mail	For U.S. Mail	No
Per	Good	
MYERS.	ON 12 MID	

AMERICAN CONSULATE GENERAL

CONFIDENTIAL  
AND M.I.D.

Canton, China, April 21, 1941.

SUBJECT: Postponement of Routine Visit of U.S.S. MINDANAO  
to Canton and Closure of Pearl River by  
Japanese Authorities.

RECEIVED  
DEPARTMENT OF STATE

1941 JUN 2 AM 9 58

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR

I have the honor to refer to my telegram no. 17 of April 9 reporting an announcement of the Japanese authorities to the effect that the Pearl River will be temporarily closed to all traffic from that date owing to "military necessity", and as of possible interest and as a matter of record to report that a routine visit of the U.S.S. MINDANAO to Canton was postponed from April 7 to April 16 because of Japanese objection to the making of the trip on the first mentioned date. In accordance with customary procedure this office had in the previous week notified the Japanese Acting Consul General of the scheduled movements of the MINDANAO, including the approximate time the vessel would pass the "second bar" barrier through which it is escorted by a small Japanese naval boat. It may be explained that this procedure has been in effect since the opening on November 10, 1938, of the barriers in the Pearl River which had been put there

COMMERCIAL AFFAIRS  
Department of State

JUN 11 1941

DIVISION OF

793.94112/423

P.C.M.

JUN 18 1941

RECEIVED

428

- 2 -

there by the Chinese.

As the Japanese Consulate General had orally informed this office on the evening of April 4 and again on the morning of the 6th that the Japanese authorities concerned objected to the movements of the MINDANAO either on April 7 or 8 and gave no reasons for their objection, I called on the Acting Consul General on the afternoon of April 7 in order to ascertain the nature and duration of the Japanese objection to the proposed visit and to register a complaint against the apparent lack of courtesy shown. On the following day the Acting Consul General called and informed me that the objection was due to "military necessity" and that the objection was temporary and would shortly be withdrawn. There is 1/- enclosed herewith a copy of a memorandum covering both conversations. During the evening of the same day (April 8) this office was informed that the Pearl River would be closed from April 9 to 12 inclusive, which latter date was later changed to April 14. As indicating the nature of the so-called "military necessity", it may be mentioned that during the closure of the river there was both an inward and outward movement of Japanese troops and that there was reason to believe that the inward movement commenced before the river was closed. Japanese commercial craft ceased operations between April 9th and 14th inclusive.

The U.S.S. MINDANAO came to Canton on April 16 and returned to Hong Kong on the 18th.

In this connection it may be added that this has not been the first instance of the postponement of

scheduled

- 3 -

scheduled routine movements of foreign gunboats owing to Japanese objection. During the month of January 1941 the MINDANAO's scheduled visits to Canton were postponed two days on each of the two visits due to alleged "military necessity"; however, Japanese commercial ships continued to operate. On several previous occasions (in 1939 and 1940) the movements of both British and American gunboats were similarly affected.

Respectfully yours,

  
M. S. Myers  
American Consul General

✓ Enclosure:

1/- Copy of Memorandum of Conversation  
dated April 8, 1941.

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

880/833

MSM/dts



ENCLOSURE NO. 1 TO DESPATCH NO. 251 DATED APRIL 21, 1941,  
FROM M. S. MYERS, AMERICAN CONSUL GENERAL, CANTON, CHINA,  
ON THE SUBJECT: POSTPONEMENT OF ROUTINE VISIT OF U.S.S.  
MINDANAO TO CANTON AND CLOSURE OF PEARL RIVER BY  
JAPANESE AUTHORITIES.

C O P Y

American Consulate General,  
Canton, China, April 8, 1941.

MEMORANDUM OF CONVERSATION

Subject: Proposed Visit of the U.S.S. MINDANAO  
to Canton April 7th to 11th.

As arranged, yesterday afternoon I called on  
Mr. B. Yoshioka, Japanese Acting Consul General, in  
regard to the Japanese attitude toward the movements  
of the MINDANAO. I pointed out that this office was at  
a loss to understand the absence of any definite in-  
formation as to the nature and duration of the Japanese  
objection to the proposed visit of the MINDANAO  
February 7th to 11th. Mr. Yoshioka said that he had  
had no information in regard to the matter whatsoever  
and after calling in Vice Consul Kudo, who informed him  
of the steps that he had taken to obtain an answer from  
the military authorities, advised me that he would  
endeavor, at the conference scheduled to be held this  
morning at 9:00 a.m., to obtain the information for  
communication to me.

This afternoon he called by appointment, and  
after referring to his telephone communication in which  
he explained the delay in communicating with me he said  
that the matter had been discussed at the conference and  
that the military objection to the proposed movement

of

- 2 -

of the MINDANAO was due to "military necessity" and that as soon as this "necessity" ceased objection to the movement of the MINDANAO would be withdrawn. Mr. Yoshioka said that he was not aware of the nature of this "military necessity", but expressed the view that it would be temporary. I pointed out that commercial craft were continuing to move on the Pearl River and that I could not understand why there should be objection to the movement of the MINDANAO and not to commercial craft. He said that this point was raised during the conference this morning and that the military held that there was a difference. He added that he did not know whether the movements of commercial craft would be stopped or not - apparently some thought is being given to that matter. During the conversation I stated that I felt that a lack of courtesy was shown in the handling of this matter. He said that he appreciated my point of view, and that I could be assured that as soon as objection was withdrawn I would be immediately notified.

I appropriately thanked Mr. Yoshioka for his cooperation in this matter.

880/833

MSM/dts

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

~~F.A.S.~~  
~~J.D.~~  
~~G.C.~~  
~~G.H.~~  
~~W.H.H.~~

To note summary  
on pages 4 & 5.

H.H.H.

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

NO. 253

THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

CONFIDENTIAL

AMERICAN CONSULATE GENERAL

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

Canton, China, April 28, 1941

SUBJECT: Agreement between the British and Japanese Authorities in Regard to Pilotage Fees.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

For Distribution Check		Yes	No
Grade	Good		<input checked="" type="checkbox"/>
Per	In U.S.A.	<input checked="" type="checkbox"/>	
MYERS.		O.N.I. & M.I.D.	

SIR:

I have the honor to refer to my Political Report for March, dated April 9, 1941, in which it was stated that an agreement had been reached between the British and Japanese authorities concerning pilotage fees levied on commercial shipping operating on the Pearl River, and to report further details in regard to this matter. It will be recalled that the Temporary Regulations for the Pearl River Pilotage Fees,\* imposed and enforced by the Japanese army and navy, were the subject of American and British representations both here and at Tokyo and that pilotage fees have been one of the principal controversial questions relating to shipping between the British and Japanese authorities; that at the end of August 1940\*\* the British shipping company paid in full

the

\*Despatch no. 56 of March 1, 1940, to the Embassy, Peiping, entitled "Temporary Pilotage Regulations for the Pearl River", copies to Department and Chungking.

\*\* Telegram no. 71 of August 30, 3 p.m., 1940, to the Department, repeated to Peiping and Chungking. / 342

COMMERCIAL AFFAIRS  
Department of State

JUN 28 1941

DIVISION OF

793.04112/429

PO/HC

RECD

429

- 2 -

the outstanding account for pilotage fees according to the increased rates on the understanding that discussions looking toward a definite adjustment of rates to be paid in future would be undertaken forthwith.

However, discussions were not immediately undertaken due to the closure of the Pearl River between September 3 and November 24, 1940, on account of a cholera epidemic at Hong Kong and Macao, and when negotiations started early in the current year they made little progress owing, in part, to Japanese insistence that the questions of pilotage fees and the handling of cargo at Canton\* be considered together. Parenthetically, it may be mentioned that the matter of stationing Japanese police on the British wharf\* has apparently been resolved by British acquiescence in the police being on duty for the protection of Customs officers while the steamer is in port. Late in March when discussions had reached an impasse, the Japanese Acting Consul General was able to arrange with the Japanese concerned that pilotage fees be considered separately and that the fees be reduced by 30 percent (instead of 20 percent as the Japanese had previously offered). It is believed that the Japanese offered these concessions in order to avoid a breakdown in the negotiations and the probable discontinuance after March 31st of direct

steamer

1376  
\*Despatch no. 169 of May 14, 1940, to the Department, entitled "Reopening of the Pearl River; Restrictions on Shipping", copies to Peiping, Chungking.

- 3 -

steamer service between Hong Kong and Canton. It may be added that the Japanese river steamer had throughout the negotiations been operating regularly between the above mentioned ports (with, of course, the sanction of the British authorities), but that the British steamer ceased operations early in February. The bilateral agreement concerning the operation of these vessels provided for a ratio of two Japanese sailings to one British sailing.

As of possible interest it may be mentioned that in the opinion of disinterested observers the pilotage fees prescribed by the General Pilotage Regulations heretofore in force were extremely low and that the new pilotage fees are not unreasonable. For instance, the British river steamer (s.s. FATSHAN) which draws slightly less than ten feet would pay Hong Kong \$45 under the old regulations and pays approximately Hong Kong \$200 (based on an exchange rate of Hong Kong \$1 equals Military Yen 2) under the reduced fees, the above amounts covering both inward and outward passages. Actually the cost of pilotage services to the British shipping company was even less than the above as each river steamer carried two pilots as members of the crew at a total cost of Hong Kong \$167 per month. Although the objectionable compulsory pilotage imposed and enforced by the military under the "Temporary Regulations" has been agreed to, it is understood that the British treaty position and the rights of British subjects have been safe-  
guarded

- 4 -

guarded by an appropriate reservation of treaty rights.

Discussions in regard to the cargo handling question are expected to be resumed shortly, and pending a settlement both Japanese and British vessels on the Hong Kong-Canton run will continue to be operated as passenger carriers only. These vessels also carry personal and household effects and stores for the foreign community.

SUMMARY


After several months of protracted discussion between the local British and Japanese authorities in regard to pilotage fees and the handling of cargo at Canton, the Japanese at the last moment agreed to separate the pilotage fee question from the cargo handling question and have made a further reduction (from 20 to 30 percent) in the amount of pilotage fees, which concessions the British accepted. This unexpected Japanese move would appear to have been made with a view to forestalling a breakdown in the negotiations and a consequent temporary stoppage of the direct steamer service between Canton and Hong Kong. The increased fees, approximately four times those leviable under the former regulations for a vessel drawing slightly less than ten feet, are not considered unduly burdensome by disinterested observers and acceptance of compulsory pilotage, admittedly imposed as a military measure, was made subject to appropriate reservations of treaty rights. It is

expected

- 5 -

expected that discussion of the cargo handling question  
will be resumed shortly.

Respectfully yours,

  
M. S. Myers  
American Consul General

Original and four copies to the Department.  
One copy to Embassy, Peiping.  
One copy to Embassy, Chungking.  
One copy to Embassy, Tokyo (Via Peiping).  
One copy to Consulate General, Hong Kong.

882/884

MSM/dts

H  
RAC



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

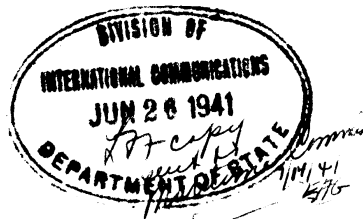
DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

June 21, 1941.

*as/Conan*  
*W. Conan*

Reference Shanghai's 694, June 14, 1941.

As the position of this Government in regard to requests for withdrawal of American citizens and interference with shipping in connection with military operations have been made clear in the past (see Department's telegrams 169, August 26, 1937 to Tokyo; no. 95, March 4, 1940 to Shanghai; and no. 189, May 1, 1940 to Shanghai), it appears that there is no need to make a reply to the proclamation quoted in the attached telegram.



*H77*  
FE:Fales:OJL

DECLASSIFIED: E.O. 11652, 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  
PLAIN

SHANGHAI VIA N. R.

FROM Dated June 14, 1941 July 17 1941

Rec'd 12:45 p.m., 15th.

Secretary of State,  
Washington.

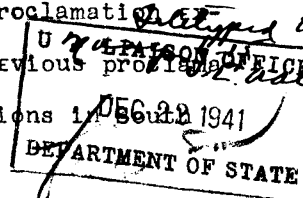
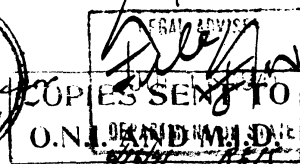
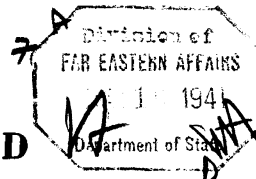
694, fourteenth.

Admiral Shigetaro Shimada, Commander in chief seas  
fleet, issued today the following proclamation extending  
further the areas covered by previous proclamation  
tending further the areas covered by previous proclamation  
tion in connection with military operations in  
China area.

"I hereby proclaim that <sup>by</sup> proclamation on the 15th  
July 1941 the prohibition of shipping in certain areas  
on the Chinese coast will be extended by reasons of military  
necessities to cover the area given below as from mid-  
night Japanese time between the 16th and 17th June 1941.

One. The entire areas of Haimun by Hope Bay and  
their environs extending along the Chinese seacoast  
between Good Hope Cape in the north and Breaker Point  
in the south, which is encompassed by a straight line  
connecting Good Hope Cape with Breaker Point.

Two. The entire areas of Hutan Bay, Tong Sang Chiang,  
Chaoan Wan, Chelin Wan and their environs extending along  
the



793.94112/430

JUL 22 1941

RECORDED P 6/7M

793.94112

-2- #694, fourteenth from Shanghai via N. R.

the Chinese seacoast between Cork Point in the north and Clipper Road in the south which is encompassed by four straight lines on connecting Cork Point with Southeast Island, the second connecting Southeast Island with Cliff Island with the southern end of Namaoa Island and the fourth connecting the southern end of Namaoa Island and Clipper Road".

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

LOCKHART

JRL

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

FROM DEPARTMENT OF  
STATE TO OPNAV

WT

PLAIN

SHANGHAI VIA N. R.

Dated June 14, 1941

Rec'd 12:45 p.m., 15th.

Secretary of State,  
Washington.

694, fourteenth.

Admiral Shigetaro Shimada, Commander in chief seas  
fleet, issued today the following proclamation extending  
further the areas covered by previous proclamation ex-  
tending further the areas covered by previous proclama-  
tion in connection with military operations in South  
China area.

"I hereby proclaim that my proclamation on the 15th  
July 1941 the prohibition of shipping in certain areas  
on the Chinese coast will be extended by reasons of military  
necessities to cover the area given below as from mid-  
night Japanese time between the 16th and 17th June 1941.

One. The entire areas of Haimun by Hope Bay and  
their environs extending along the Chinese seacoast  
between Good Hope Cape in the north and Breaker Point  
in the south, which is encompassed by a straight line  
connecting Good Hope Cape with Breaker Point.

Two. The entire areas of Hutan Bay, Tong Sang Chiang,  
Chaoan Wan, Chelin Wan and their environs extending along  
the

*Sent from DMS  
12/25/75*

-2- #694, fourteenth from Shanghai via N. R.

the Chinese seacoast between Cork Point in the north and Clipper Road in the south which is encompassed by four straight lines on connecting Cork Point with Southeast Island, the second connecting Southeast Island with Cliff Island with the southern end of Namaoa Island and the fourth connecting the southern end of Namaoa Island and Clipper Road".

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

LOCKHART

JRL

*DNF  
Sent 11-20-75*

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

July 17 1941

In reply refer to  
IM

The Secretary of State presents his compliments to the Chairman of the United States Maritime Commission and encloses, for the information of the Commission, a copy of a telegram dated June 14, 1941 from Shanghai, with regard to shipping in certain areas on the Chinese coast.

FW 793.94112/430

299946262

Enclosure:  
Copy of telegram



1  
JUL 17 1941 PM

*Handwritten initials or signature*

IN: EAG 7/15

DECLASSIFIED: E.O. 11652, 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

*Gray*  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
X NONCONFIDENTIAL CODE X  
PARTAIR  
PLAIN

"Gray"  
Washington, NAVAL RADIO

July 21, 1941  
*11 pm*

AMERICAN CONSUL,

SHANGHAI (CHINA). *via N. R*

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

*455*

793.94112  
According to an Associated Press despatch dated Shanghai, July 21, Japanese authorities have detained the British ship Hilda Moller for the purpose of examining the ship's cargo which, it is stated, is intended for Rangoon. The detention in question is reported as following the release of the British ship Kwantung from which the Japanese are said to have removed 600 tons of textile machinery consigned to Singapore, the removal of the cargo having been effected on the ground that it belonged to the Chinese Government.

Please report.

Sent to Shanghai! Repeated to Chungking, Peiping.

*K. J. H.*  
Acting

*UR*  
JUL 21 1941PM

*GA*  
FE:GA:MHP

FE

PA/H

Enciphered by

Sent by operator M., 19

793.94112/430A

PS/MFM



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

FE

THE NEW YORK TIMES, July 21, 1941

#### JAPAN HALTS BRITISH SHIP

Detains Burma Bound Vessel  
to Examine Her Cargo

SHANGHAI, Monday, July 21  
(AP)—Japanese authorities have detained the British ship Hilda Moller for the announced purpose of examining her cargo, which was intended for Rangoon, Burma, it was learned today.

The Hilda Moller was detained shortly after the Japanese army released the British ship Kwantung after two weeks' detention during which they removed 600 tons of textile machinery consigned to the British port of Singapore but which the Japanese declared belonged to the Chinese Government at Chungking.

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

TEM

GRAY

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

TELEGRAM RECEIVED

Shanghai via N. R.

Dated July 21, 1941

Rec'd 1:50 p.m. 23rd

FROM

Secretary of State

Washington



919, July 21, 4 p.m.

Department's 455, July 21, 11 p.m., regarding

detention by Japanese authorities of two British vessels.

One. *Kwangtung* ~~KOSHIDA~~. This vessel was detained at

Woosung by the Japanese authorities until textile machinery which the Japanese claim belonged to the Chinese Government was unloaded. It is denied that the machinery in question had been stored in a godown of the Bank of China and that the latter had an interest in it; that it was purchased by the Government of the Netherlands East Indies and was to be shipped to Java; that it is still being held by the Japanese and that the Netherlands Government has made representations to the Japanese Government concerning the matter.

Two. HILDA MOLLER. Japanese allege that considerable cargo on this vessel was shipped through a Chinese customs broker who Japanese claim is a

Chungking

AUG 16 1941

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700.04115/401

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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. Chasler NARS, Date 12-18-75

-2- 919, July 21, 4 p.m. from Shanghai via N. R.

Chungking agent. They are, therefore, insisting that all such cargo, much of which consists of miscellaneous goods destined for Hong Kong, Singapore, Rangoon and Calcutta, be unloaded from the vessel. Negotiations are proceeding between British and Japanese authorities here. Vessel is still being detained.

Sent to the Department. Repeated Chungking, Peiping.

LOCKHART

RR

RS

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

SHANGHAI VIA N.R.

Dated July 26, 1941

Rec'd 4:15 p.m.

Secretary of State,  
Washington.

949, July 26, 5 p.m.

My 919, July 21, 4 p.m., regarding detention by Japanese authorities of two British vessels.

At press conference yesterday Japanese military spokesman stated that machinery removed by Japanese river gendarmerie from the KOSHIGA was returned yesterday to its Dutch owners through the Netherlands Consulate General. Spokesman added that the Japanese gendarmerie had held the machinery in order to ascertain its ownership and had released it when it was established that the Dutch had purchased the machinery and (\*) at Chungking.

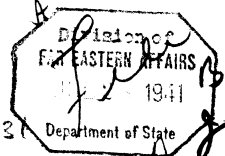
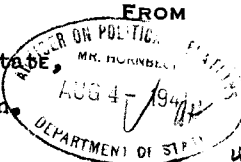
Referring to the HILDA MOLLER spokesman said that the Moire Gela Steamship Company had admitted that 500 to 600 tons of cargo were Chungking owned; that unloading of the cargo consisting of cotton cloth and machinery was commenced yesterday and that if cargo will be stored the MOLLER (?) down under British buoy until negotiations with the British authorities have been completed.

LOCKHART

NPL

(\*) Apparent omission.

TELEGRAM RECEIVED



793.94112/432

PS/AD

793.94112

DEC 4 1941

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

22051

Copy of letter to be sent to Commerce

Copy of letter to be sent to Treasury

TELEGRAM RECEIVED

TEM

PLAIN

OCT 3 1941

DIVISION OF COMMERCE  
TREATIES AND AGREEMENTS  
OCT 3 1941  
DEPARTMENT OF STATE  
COPY IN PARAPHRASE  
SENT TO TREASURY  
IN CONFIDENCE  
REK

FROM Shanghai via N. R.

Dated September 29, 1941

Rec'd 7:20 a.m. 30th

DEPARTMENT OF STATE

Secretary of State,  
Washington.

Division of  
FOR EAST ASIAN AFFAIRS  
OCT 3 1941  
Department of State

1388, twenty-ninth (SECTION ONE)

Following is a summary of regulations re-

stricting the removal of commodities within  
occupied areas in the lower reaches of the  
Yangtze River jointly promulgated on September  
26th by the Commander-in-Chief of the Japanese  
Expeditionary Forces and the Commander of the  
Japanese China Seas Fleet.

Preamble of the regulations states that  
the flow of commodities into and from "enemy  
territory shall as a matter of principle be cut  
off"; that "full control shall be imposed on the  
movement of certain specified goods into and out  
of Shanghai and on the export of such goods from  
the military occupied areas along the lower Yangtze  
and Whangpoo Rivers"; that "the removal of commod-  
ities from one place to another within the military  
occupied

193 94112  
DCA  
Recording Desk  
OCT 3 1941  
DIVISION OF  
COMMERCIAL AFFAIRS  
Department of State

793.94112/433

PS/BH

-2- #1388, September 29, (SECTION ONE) from  
Shanghai via N. R.

occupied areas shall not be subject to restrictions  
export where special regulations have been made  
therefore"; and that "no permit for the removal  
of goods or similar documents shall be issued  
except by the organ authorized by the military and  
naval authorities and with the approval of the  
Commander-in-Chief of the Expeditionary Forces and  
the Commander of the Japanese China Seas Fleet".  
The export from and import into the areas mentioned  
of the following commodities are subject to rigorous  
control by a system of permits:

Arms and ammunition, salt, opium and narcotics,  
motor cars and accessories, gasoline and petroleum,  
machinery, communications apparatus, medicines,  
rubber, rubber goods, cement, food oil, sugar,  
cotton yarn and textiles, wool yarn and woolen  
goods, rayon and rayon fabrics, candles, matches,  
soda, paper, tobacco, metals and non ferrous metals,  
silver dollars, coal and minerals, rice, wheat and  
beans, hemp, raw cotton and wool, hides and leather,  
cattle, tea, tung oil, bristles and casings, raw  
silk and cocoons, eggs and egg products.

LOCKHART

NPL

**TELEGRAM RECEIVED**

DES

PLAIN

Shanghai via N. R.

FROM Dated September 29, 1941

Rec'd 8:36 a.m., 30th.

Secretary of State,  
Washington.

1388, Twenty-ninth (SECTION TWO)

Very small quantities of certain goods for personal use may be transported in these areas without permit. The regulations further stipulate that only certain specified Japanese military and naval offices may issue permits; that "restrictions on exports, especially from Shanghai, shall be enforced by the gendarmerie with the assistance of the consular police, the Chinese police and the Chinese maritime customs; and that "those who violate or attempt to violate these stipulations shall be punished according to martial law".

These regulations become effective October 10, 1941 and are apparently designed to place practically all raw materials and goods of whatever description under the complete control of the Japanese authorities and further to restrict and regulate Shanghai's trade with the hinterland.

In a statement issued by the Ministry of Industry  
of the

-2- 1388, September 29, 1941 (SECTION TWO) from  
Shanghai via N. R.

of the Nanking Regime regarding these regulations, he stated that following several months negotiations between the "National Government" and the Japanese authorities concerned a definite program for the "readjustment of control over economic resources in China had been decided upon" and that the Japanese authorities had agreed to remove "as soon as possible the restrictions hitherto imposed against the movement of commodities and capital from one place to another within the peace area". However, as regards the transportation of goods to and from Shanghai, it was stated that "restrictions will continue to be enforced as this matter is closely bound up with the question of export".

(END OF MESSAGE)

Sent to the Department, repeated to Peiping, Chungking, Hong Kong. By airmail to Tokyo and Nanking.

LOCKHART

NPL



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

RECEIVED  
DEPARTMENT OF STATE

1941 OCT 29 AM 9 00

DIVISION OF  
ADMINISTRATIVE  
AND RECORDS

(CIRCULAR 282-G-VII)

Dept. ~~FE~~  
file

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS  
HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE  
THE FOLLOWING FOR THEIR INFORMATION.

(Letter from the Consul-General for Japan to the Senior

No. 11.



September 11th, 1941.

Sir and dear Colleague,

I have the honour to enclose a copy of the  
proclamation made on September 11th, 1941, by Vice-  
Admiral Mineichi Koga, Commander-in-Chief of the  
China Seas Fleet of the Imperial Japanese Navy, and  
shall be grateful if you will be good enough to bring  
it to the notice of the interested Colleagues.

I have the honour to be,  
Sir and dear Colleague,  
Your obedient servant,

(Sgd) T. Horiuchi,  
Consul-General.

Poul Scheel, Esquire,

Consul-General for Denmark  
and Senior Consul,

SHANGHAI.

793.94112/434

FILED  
NOV 7 1941

PS/LD

2.

(CIRCULAR 282-G-VII)

( TRANSLATION )

PROCLAMATION

I hereby announce that the prohibition of navigation by Chinese shipping, both government-owned and private, and of ingress and egress of all vessels in specially defined areas on the China Sea Coast, hitherto enforced by Admiral Shimada, former Commander-in-Chief of the China Seas Fleet, I.J.N., will be enforced by the naval forces under my command as from 9 a.m. 11th September, 1941.

WITNESSETH  
Vice-Admiral Mineichi Koga,  
Commander-in-Chief,  
China Seas Fleet, I.J.N.

11th September 1941.

Received, Secretariat, September 11th, 11.45 a.m.  
Circulated, September 11th and 12th, 1941.

TELEGRAM RECEIVED



FROM

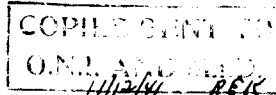
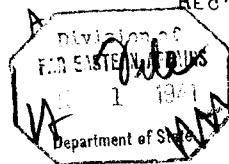
GRAY

Canton via N. R.

Dated November 12, 1941

Rec'd 4:27 a.m.

Secretary of State,  
Washington.



November 12, noon.

The Japanese Consulate General informed this officer today that the Pearl River would be closed to all but Japanese military traffic on November 13 and 14 but that the military authorities have no objection to the trip to Canton on November 15 or later on condition ship MINDANAO which was originally scheduled to arrive at this port on November 13.

Sent to the Department, repeated to Chungking, Peiping, Hong Kong.

MYERS

WMC

793.94112/435

FILED

NOV 26 1941

PS/VB

TELEGRAM RECEIVED

BAS

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

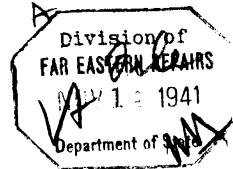
Canton via N. R.

FROM

Dated November 13, 1941

1:06 p.m.

Secretary of State,  
Washington.



85, November 13, 4 p.m.

Reference my 82, November 12, noon.

The visit of the Commander in Chief of the  
Japanese fleet in Chinese waters is reported to be  
the reason for the closing of the river. He is believed  
to have arrived here.

Certain unusual activities have been noted during  
the past week the significance of which is not yet  
ascertainable. Large numbers of coolies possibly  
as many as 10,000 have been engaged, paid fifteen  
dollars in advance and sent eastward by Army motor  
trucks and many army trucks loaded with wooden rail-  
way ties have been seen moving in the same direction.  
Furthermore army men have been putting up considerable  
additional telephone wiring in the eastern suburb.  
It is rumored that the coolies are being used for  
building defense works.

Although some additional troops may have recently  
arrived there is no evidence of any unusual concentration  
in this

793.94112/436

PS/EJM

FILED

NOV 26 1941

793.94112  
Uolo  
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

-2- #85, November 13, 4 p.m. from Canton via N. R.

in this area.

Sent to the Department, repeated to Chungking,  
Peiping, Hong Kong; Hong Kong please inform Commander  
of the South China patrol.

MYERS

GW

CROSS-REFERENCE FILE

NOTE

SUBJECT Japanese General Nishio, while inspecting front at Ichang.  
Reported capture, by Chinese, of-, Advising of-, comments  
on this bit of "propaganda".

For the original paper from which reference is taken

See Tel #83; 2pm  
(Despatch, telegram, instruction, letter, etc.)

Dated Aug 16, 1940 From China (Nanking) (Stanton)  
To

File No. 793.94/16136

793.94114/13

FE

ATF

GRAY

Nanking via NR

Dated August 16, 2 p.m

Rec'd 6:37 a.m.

Secretary of State,  
Washington

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

note  
7939414

793941/16136

## CROSS-REFERENCE FILE

### NOTE

#### SUBJECT

Air raids by Japanese military at Canton, China during 1938.

Description of -, in answer to statement of Japanese Ambassador Jan. 6, 1940.

aa

793.94116 / 124

For the original paper from which reference is taken

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

Dated ..... Jan. 18, 1940 ..... From } State Department  
To } FE (Atcheson)

File No. ..... 711.942/531 .....



CROSS-REFERENCE FILE

NOTE

SUBJECT

Air raids at Chungking, China during 1939 by  
Japanese military.

Description of -, in answer to statements made  
by Japanese Ambassador Jan. 6, 1940.

aa

For the original paper from which reference is taken

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

Dated Jan. 18, 1940 From State Department  
To FE (Atcheson)

File No. 711.942/532.

793.94116 / 125

125

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** Japanese air raids at Fukien, Honan, Hunan, Hupeh, Kiangsi, Kiangsu, Kwangsi, Kwangtung, Shantung, Shensi and Szechuan. Description of -, in answer to statement made by Japanese Ambassador Jan. 6, 1940.

aa

793.94116/126

For the original paper from which reference is taken

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

Dated Jan. 19, 1940 From State Department  
To FE (Drumright)

File No. 711.942/533.

DECLASSIFIED: E.O. 11652, 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

United States moral embargo against exportation  
of aircraft to Japan.

Lists instances of Japanese bombings of civilian  
populations in China, in answer to statements  
made by the Japanese Embassy on Jan. 6.

aa

793.94116/127

For the original paper from which reference is taken

note

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

Dated Jan. 27, 1940 From  
To Japanese Embassy.

File No. 711.942/529.

127  
4

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

DEPARTMENT OF STATE

RECEIVED  
DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

1940 FEB 1 AM 8 35

January 27, 1940.

*The number of persons  
killed and wounded  
was surprisingly small  
to me. 7/4*

COMMUNICATIONS  
AND RECORDS

Civilian Casualties as a Result  
of Japanese Air Raids,  
January-July 1939



793.94116  
note

793.94

In a "news release" of the China Information Committee, December 18, 1939, there are given figures reputedly compiled by the Chinese Aeronautical Affairs Commission that during the period in question 19,225 combatants were killed, 19,948 others were wounded, 63,630 houses were destroyed, 5,876 other houses were damaged beyond repair, 380 junks were blown to pieces, and 95 motor cars were wrecked by enemy raids. These casualties are stated to be the result of 1,276 indiscriminate air raids over widespread interior areas and the dropping of an estimated 32,000 bombs.

These figures are assumedly exaggerated, but both the early history of Chinese official statistics in regard to Japanese air raids and considerations as to the enormous amount of personal damage which can be, and often has been, effected by one bomb argue for acceptance of these figures as approximately accurate without too great

793.94116/128

F/FG

-2-

great strain upon credulity. For example, the first Chinese official statistics in regard to the Japanese bombing of Nanking, September 25, 1937 -- up to that time the greatest in history of any air raid, in which one hundred Japanese planes dropped bombs over the city in successive waves all day long -- placed the total killed at 27, whereas investigations by independent observers and by the (Chinese) Central News Agency with the aid of independent observers, foreign newspaper correspondents, police, et cetera, found a total of some 600. The first instinct of the Chinese authorities at that time was to minimize the losses but, due to representations by foreign news correspondents and others and due also to advice given by Mr. W. H. Donald to Madame Chiang Kai-shek, the actual figures were subsequently released. From then on, as far as Nanking was concerned, our Embassy at that place had good reason to believe that officially published figures as to casualties, losses of Japanese planes, losses of Chinese planes, et cetera, were reasonably accurate. Subsequently, in 1938, it is probable that the propaganda value of such statistics in connection with the strong condemnation in this country and elsewhere of the bombing of civilian populations may have developed a tendency

in

-3-

in the Chinese authorities to exaggerate such figures. It is to be realized, however, that one bomb can, and has, killed as many as one thousand persons; that the Japanese armed forces have conducted air raids against practically every interior city and town, have in most cases repeated those raids several times, and have themselves published boastful figures as to the number of such raids. These considerations support the impression that the number of raids cited by the Chinese -- 1,276 -- for the first seven months of 1939 cannot be greatly exaggerated. Similarly, the figures as to casualties do not seem unreasonable.

GA  
FE:Atcheson:HES

CROSS-REFERENCE FILE

NOTE

SUBJECT

Bombing of Haiphong-Yunnanfu Railway by Japanese planes.

Termed barbarous, by the Prime Minister in representations to Japanese Ambassador, emphasis was placed upon the destruction of lives of innocent passengers, as well as the railroad property, stating that this could not be excused on any hypothesis; "belligerent rights" not due Japanese.

For the original paper from which reference is taken

See Tel #181; 8pm  
(Despatch, telegram, instruction, letter, etc.)

Dated Feb 6, 1940 From France (Murphy)  
To

File No. 793.94/15672

793.94116/ 129

129

CROSS-REFERENCE FILE

NOTE

**SUBJECT** Japanese bombings of Yunnan Railway, Feb 1 and 3, 1940.  
Report on-, setting forth extent of damage; numbers of casualties and injured; increased local interest in present Japanese activities along the railway. Paraphrase of telegraphic-, from Reed, at Hanoi, Feb 6; Noon.

For the original paper from which reference is taken

See Tel #47; Noon  
(Despatch, telegram, instruction, letter, etc.)

Dated Feb 8, 1940 From Hong Kong (Southard)  
To \_\_\_\_\_

File No. 793.94/15683

793.94116/ 130

130

793.94116



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

FE

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

Hong Kong via N. R.  
Dated February 8, 1940  
Rec'd 2:35 a. m.

Secretary of State,  
Washington.

47, February 8, noon.

The following is a paraphrase of a telegram just  
received by air mail from Reed at Hanoi for the Department:

February 6, noon. Referring to my February 2, noon,  
the damage caused on February 1 by the bombing is not so  
great as first reports indicated. Extent of damage to  
the tunnel which was severely shaken is now the main  
question. Casualties are now listed at 80 and 120 injured  
and probably some of the latter will die.

The bombing at kilometer 235 on February 3 is under-  
stood to have caused no material damage but seven coolies  
engaged in the transshipment of freight were wounded.

Present Japanese activities along the railway now  
fill the press in contrast to its silence during the  
bombings at the beginning of the year. The burial yester-  
day of the five French victims of the bombing was marked  
by an impressive ceremony attended by the Governor General  
and other high officials.

Repeated to Chungking, Peiping and Shanghai. Kunming  
and Saigon informed.

DDM

SOUTHARD

793.94  
note  
793.94116

793.94 / 15683

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

CROSS-REFERENCE FILE

NOTE

**SUBJECT** Damage and casualties resulting from attack on Yunnan Railway,  
Chinese section, by Japanese planes, Feb 1, 1940.  
Report on-, from Consulate at Yunnanfu. Extract from-,

For the original paper from which reference is taken

See Tel #62; 3am  
(Despatch, telegram, instruction, letter, etc.)

Dated Feb 3, 1940 From China (Chungking)  
To

File No. 793.94/15646

U. S. GOVERNMENT PRINTING OFFICE 1-1540

FRG.

793.94116/132

132

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 13, 1940

All FE

Shanghai's 2884, February 1, 1940.

Unless one is especially interested  
in the subject of poison gas the  
last paragraph (p. 2) of this  
despatch is all that need be  
read.

*MP*  
FE:Panfield

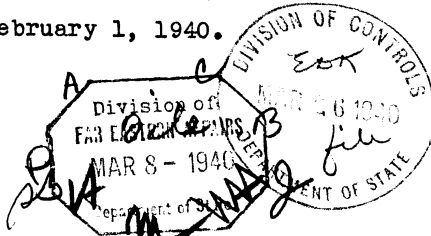
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Quisenberry NARS, Date 12-18-75

NO. 2884

AMERICAN CONSULATE GENERAL,  
Shanghai, China, February 1, 1940.

793.94116

STRICTLY CONFIDENTIAL.



RECEIVED  
DEPARTMENT OF STATE  
7  
40 MAR 7  
3 50  
THE HONORABLE

SUBJECT: Captured Japanese Document on Use of  
Poison Gas in China.

THE SECRETARY OF STATE,  
WASHINGTON.

SIR:

1/ I have the honor to enclose, as of possible  
interest to the Department, a copy (in English trans-  
lation) of brief excerpts from a Chinese transla-  
tion of what is reputed to be a captured Japanese  
document on the employment of poison gas in North  
China. The original Chinese document is fairly  
long, with a large number of appended detail sketch  
maps portraying the essential features of the re-  
ported operations, but it was considered that the  
technical details related were not of sufficient  
interest to the Department to warrant translation of  
the entire document. Translation has therefore been  
made of enough to indicate its character, and the  
document then was passed on to the Assistant Military  
Attache for further study.

The document in translation was obtained confi-  
dentially from an officer of the British General  
Staff in Shanghai, who stated that he believed the  
document

793.94116/133

F/N

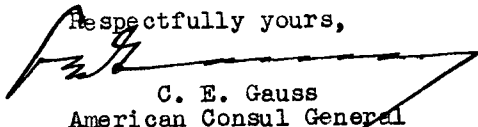
- 2 -

document to be an accurate translation of a genuine Japanese original document, the original having been produced by the Japanese in December 1938 by the authority of Lieut.-General Hobun Yamashita, then Chief-of-Staff to the Japanese Army in North China, and subsequently captured by the Chinese in Hopei Province\* in May 1939.

It will be observed that poison gas (毒氣) is frequently referred to in the document as "Special smoke" (特種煙), and that there are references also to "special-smoke cylinders" (特種煙筒) and "special-smoke shells" (特種煙彈). According to the aforementioned British staff officer, the cylinders are about nine inches high and four inches in diameter, weighing about four pounds, and when lit emit the toxic gas dyphenolcyanoarsine. He stated that he believed the shells to be the same, but had no confirmation of his belief.

It will be observed from the excerpts transmitted herewith that the Japanese forces do not appear to have been highly successful with their reported use of poison gas. It is probable that such use, if it has in fact occurred, has been primarily for experimental purposes in selected areas. It is thought to be highly improbable that the Chinese would have failed to make public the facts of any widespread use of poison gas by the enemy.

Respectfully yours,

  
C. E. Gauss  
American Consul General

Enclosure:

\* By inference, at Lunghuachen (龍華鎮).

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

- 3 -

✓  
Enclosure:

- 1/ - Copy of brief excerpts (in English translation) from a Chinese translation of document as stated.

800  
EC:fc

In Quintuplicate.  
Copy to Embassy, Peiping.  
Copy to Embassy, Chungking.  
Copy to Embassy, Tokyo (by hand).

4 - 1ES  
JN

Enclosure No. 1 to despatch No. 2884, dated February 1, 1940, from C. E. Gauss, Consul General at Shanghai, China, on the subject: "Captured Japanese Document on Use of Poison Gas in China."

COPY

(TRANSLATION)

Translator: EC  
Checked: CHT

TROPHIES OF THE GREAT BATTLE OF LUNGHUA (龍華)

(Study by the enemy North-China-Army General Staff in regard to the employment of special materials [poison gas] in the fighting in northern Shansi. Collection of battle precedents of smoke attacks in the Sino-Japanese incident.

-- 12th month, 13th Year of Showa)

Translated and printed by Headquarters,  
Shansi-Chahar-Hopei Military District.

I N D E X

Preface (by Chinese translator: EC)

Original Preface

Study of the Employment of Special Materials (Poison Gas in the fighting in Northern Shansi

(1) Effects

1. Special Smoke Cylinders
2. Special Smoke Shells

(2) Actual Conditions of Employment

(3) Experience and Lessons

1. Instruction and Training
2. Method of Employment
3. Organization and Equipment
4. Climate and Weather

(4) Actual Battle Precedents of Employment.  
Collection of Battle Precedents of Smoke Attacks in the Sino-Japanese Incident.

- 2 -

#### PREFACE

The Japanese military Fascists are those who enjoy pretending to a good name on earth, but for the most part they go the ways of immorality among mankind. The Sino-Japanese friendship and the Sino-Japanese cooperation of which they speak are but other names for invasion of China and oppression of China; co-existence and joint prosperity, mutual faith and mutual reliance, are only trickster's terms for annihilation of China and deception of China. At present they kill men and burn, rape and abduct, to construct their "New Order in East Asia"; they mercilessly and indiscriminately bomb, spread poison and loose germs, for the establishment of their Kingly Way and Happy Land. Their perversity and cruelty is such as could be conceived only by the inhuman. On May 15 of this year the enemy captured Hsiaolunghua (小龍華) of Yih sien (Hopei:EC), and a column of our troops under Yang Ch'eng-wu (楊成武) attacked on the 20th. Violent fighting continued for two days, with 400 of the enemy killed. Among the trophies captured from the enemy, in addition to a large quantity of military equipment, there were some 50 confidential documents, including a book on gas attack which is most secret and important, setting forth in detail the experience and lessons of gas attacks at various places during the preceding year, together with, in addition, the tactical plans for the employment of gas attacks. There are included 42 charts, done in painstaking detail. In turning over the pages one's hair stands on end, for the principles of the Kingly Way are all here. The whole book has accordingly been translated and printed in book form, on the one hand to make it known to our people to cause them to take warning, on the other, to make it public to the world with the purpose of exposing the guilty actions of violent Japan.

Preface by Nieh Jung-chen at his headquarters, June 9, 1939.

#### ORIGINAL PREFACE

This study is the result of experience with the employment of special materials in the fighting in northern Shansi, the most important being based upon the reports of Cavalry-Major Hayasaka (早坂), which have been compiled for the purpose of instruction in use (of gas: EC). There are nevertheless many places where further study is necessary. This has been done in the best possible way and is distributed for reference purpose.

December 5, 13th Year of Showa (1938)  
North China Army  
Chief-of-Staff Hobun Yamashita (山下奉文)

#### STUDY



- 3 -

STUDY OF THE EMPLOYMENT OF SPECIAL MATERIALS (POISON GAS)  
IN THE FIGHTING IN NORTHERN SHANSI

(1) EFFECTS.

1. Special Smoke Cylinders:

Extensive employment against villages which enclose strong works or against enemy lines where there is deployment in depth, and partial employment against enemy units offering stubborn resistance in mountain country, are both attended by great results.

(1) A large-scale Employment in vicinity of  
Tinghsiang (定襄)

(Battle precedent No. 1)

A. Because the velocity of the wind was low, although it required a considerable time for the movement of the gas, the gas flowed just right and fifteen minutes from the time of release the thick smoke had covered the front line of the enemy and in about thirty minutes the enemy had completely ceased to fire. The density of the gas was between 50 and 200 centimeters in standard.

B. When the gas had reached 5-600 meters behind the front line of the enemy, the enemy inevitably received a heavy blow to his spirit.

C. In this battle, because the defenses of the enemy were strong and a portion of the gas was blown back, the preparations for the attack consumed a little extra time; although no direct advantage could be taken of the results, nevertheless after the release of the poison the fire of the enemy greatly decreased and according to the talk of the villagers and the testimony of prisoners the majority of the enemy at the time (of the gas attack:EC) completely lost their fighting power. It can be seen from this that the enemy retreated because the gas had caused the loss of their fighting power.

(2) Sectional (localized?) Unitary Employment  
at Fowping (阜平).

The enemy, after being hidden by the poison-gas, fired fiercely in the direction from which the gas was loosed; however, after 20 or 30 minutes firing ceased, and there were many enemy soldiers who attempted to escape at this time. As a result of the method employed on this occasion, the enemy was affected by poison gas within a range of 5-600 meters and, when (their) fighting met with difficulties and they wished to escape, the attacking unit took advantage of the results and was able to extend its fire power and prepare to charge.

2. Special

- 4 -

## 2. Special Gas Shells.

Where not affected by topography or weather conditions, there may generally be efficacious employment (of gas shells), with results the same as with special smoke cylinders.

### (2) ACTUAL CONDITIONS OF EMPLOYMENT.

(chart. omitted: EC)

### (3) EXPERIENCE AND LESSONS.

#### 1. Instruction and Training.

##### (1) Cultivation of Essential Spirit.

The troops of the front line were quite unable to take advantage of the results at the time for exploitation of special smoke (effects) in this battle, in part because the dangerously steep character of the terrain of employment interfered with the movement of the troops, and because there were obstacles in front of the battleground, especially the hazards of trenches et cetera; however, more important, because the commanding officers and their staffs, in regard to the special character of poison gas, were not sufficiently informed and were afraid (畏缩) to enter the gas, or had doubts regarding its efficacy, merely waiting until the enemy withdrew. Moreover, at the time of release of the smoke the poison gas unit and other units lacked liaison and were unable to take advantage of the results and lacked the essential spirit of advancing to have a hand-to-hand encounter with the enemy. In regard to this point it is hoped that commanding officers and men all will have practical experience which will enable them to have faith in the results; at the same time, it is necessary that there be training to develop the spirit of daring to attack boldly (冲锋) without (gas) masks.

A precedent is found at the time of the attack near Tingsiang. The first-line troops after release of the smoke stated that the delay in preparing the attack was because of the ditches in front of the battle-ground and the blowing back of the poison gas. Again, at the time of the battle of Fangtaik'ou (方代口), the Sixth Detachment in the front line of the left wing, being unable because of circumstances to reach a good understanding with the smoke-release unit in advance, was unable to satisfactorily exploit the results (of the gas attack:EC) and attack the enemy, by reason of the enemy's having held up the Second Detachment by fire from the left wing on the battlefield. These several items are all indications of insufficient extension and exploitation of the results.

(2) As regards the employment of special smoke in battle, the smoke, infantry and artillery units must have increased drill and instruction in regard to coordination. In this fighting, as regards the cooperation of the various types of soldiers (infantry, artillery, smoke), although there was gradual progress toward a satisfactory distribution and closer contact, nevertheless the first-line troops were not able in advance to coordinate, maintain

contact

- 5 -

contact, and effect distribution, of their initial advance, with the artillery and machine-guns, et cetera, in a good manner, according to the flow of the poison gas. Especially is it necessary that there be mutual agreement of the units to be led at the time of changing the battle-ground. For example, it is necessary that especial attention be paid at the time of completion of training to the point that, when there is difficulty with vision because smoke covers the eyes, there must be the ability of coordinated movement to the degree that there is no effect (on that movement from the gas: EC).

A precedent is discovered in the battle near Tinghsiang (first battle precedent), when the front-line delayed advance after release of the smoke.

In the battle of Fowping, the advance of the artillery with the poison gas and the front line was without very appropriate relation, which is a weakness in the employment of poison gas.

(3) Matters which must be noted in instruction and training:

A. Construct the principle "When it is necessary to employ poison gas on a large scale, the line of smoke (烟线) shall be released in front of the enemy at dusk or during the night."

B. Instruct and drill "As regards the utilization of topography and the terrain, make every effort according to the topography and weather of the particular time to place the smoke-release unit near the enemy, keeping low down, so that the enemy cannot easily perceive (the movement: EC), with very efficient movements completing preparations for smoke-release."

## 2. Method of Employment.

### (1) Plans:

A. Before advancing with the release of smoke, the infantry and artillery units should be coordinated with the unit effecting (the operation: EC) in accordance with the plan stated in item (2) above.

B. The mixed use of poison gas with harmless smoke (無毒烟), or the simple employment of harmless smoke, or the employment of the small smoke cylinders of the first-line units, to cause the enemy mistakenly to consider that gas is present, to facilitate extension of the fighting, is also an efficacious type of procedure.

In the battle near Tapaihua (大白化) in the Fowping sector (battle precedent) because of the dangerous and steep topography of the objective, the number of special cylinders for smoke release was reduced and more small smoke cylinders were carried and employed in a mixed fashion in line and in depth with satisfactory results. Again, in the battle near Fahuats'un (法化村) west of Fowping

(fourth

\* Omission: EC

- 6 -

(fourth battle precedent) the enemy located on high ground to the north mistakenly considered that poison gas was present when the small smoke cylinders were employed to cover the fording of the river, and promptly began to retreat. In other cases, such as the exploitation of the small smoke cylinders by the garrison forces of Wangk'uaichen (王快鎮) in fighting nearby bandits, satisfactory results have also been achieved.

(2) Putting into Effect:

A. If, in a position before the enemy battle-ground, because the topography is disadvantageous or there are obstacles, the front-line infantry have been affected by the poison gas and are unable quickly to dash up (冲上) and advance or when opposite the enemy they take refuge in fear of poison gas, it is necessary to take advantage of a dominating position before an attack commences and to bring pressure to bear with the fire-power of the heavy pieces of the artillery, at the same time adopting an enveloping action to wipe out (the enemy: EC) in one movement. In the battle near Tingsiang (first battle precedent), for instance, we were unable to advance after the enemy had been affected by poison gas because of obstacles; in the battle near Wangk'uaichen (second battle precedent), after the release of smoke, the main force of the Eighth Detachment opened fire upon the retreating enemy, because the topography was disadvantageous, and therefore was submitted exclusively to the enemy attack; in the battle near Fangtaik'ou (battle precedent No. 2a) the Sixth Detachment, when smoke was released before its center, was unable to prepare a dominating fire because of the steep terrain and the fire from the other side, with the result that the advance of the front-line troops was retarded: these are all cases where the above-stated procedures should have been used.

B. Should it be necessary for the fire power (artillery: EC) to utilize the results of smoke-release, in distribution of the pieces, flank positions ought always to be selected. There should be no interference with observation of the flow of smoke or with fire. Should there be smoke release on a large scale, it is especially good to use planes for observation.

Example: at the time of the large-scale smoke-release near Tingsiang, it was felt in connection with the fire of the artillery that it was necessary to use airplane observation to indicate the target.

At the time of the battle near Wangk'uaichen, the main force of the Eighth Detachment and the machine-guns were on the south flank of the flowing smoke and thus fired effectively upon the fleeing enemy - one of the best examples.

C. At the

- 7 -

C. At the time of a large-scale smoke release, the density of the gas sometimes can undergo a partial change due to its having been affected by an uneven wind; thus, supposing the troops advance farther, they should not trust too much the results (of the gas attack: EC) and must maintain a satisfactory state of preparation.

D. In releasing smoke the main effort should be against the broad central front. Should there be partial employment, it still may be in excess of 5-600 meters and at the very least may not be less than 2-300 meters to be effective. However, regarding the enemy on the two flanks of the poison gas, in order to bring pressure to prevent the enemy from escaping, it is necessary fully to prepare fire power.

E. In the employment of smoke-release units, after the duties in connection with smoke release have been completed, if the circumstances and the topography permit, it is very advantageous that (the gas units: EC) should use fire power to cover the advance of the first line.

Example: At the time of the battle at Fangtaik'ou (battle precedent No. 2a), the second smoke-release sub-detachment followed the Seventh Detachment of the first-line of the left wing and, after releasing smoke from a battle position on high ground captured by the Seventh Detachment from the enemy, upon the appearance of the enemy in retreat opened fire from that high ground and assisted advance of the first-line, with satisfactory results.

### 3. Organization and Equipment.

(1) In order that cooperating forces may operate with speed in difficult terrain against bandits, and there may be proper action after employment, in accordance with the present circumstances of the troops each large unit must organize a small smoke-release troop for employment.

(2) Should there be required large-scale employment, in making a general plan and giving it effect, there will still be leadership from the division as originally.

#### (3) Organization of the Small Smoke-Release Squads.

A. The small smoke-release squads will distribute the branch units and material in accordance with the number of detachments organized by the directing sections of the several columns.

B. The branch smoke-release units will comprise a communications man, two smoke-release soldiers, and material. Seven smoke-release soldiers will constitute a squad, one man to be selected as a corporal, this to be the cadre as regards smoke-release movements in order that

although

- 8 -

although extended over a large front they may still be able to plan and act in accordance with the directions of the branch-unit commander with the aim of achieving a standard of unified movement.

In connection with the distribution of material, each branch unit may be issued 90-105 special smoke cylinders and 30 small smoke cylinders, these best to be transported by animals. If transport is by foreign horses, 40 special smoke cylinders may be borne; when the horses are Chinese it is necessary to observe the horse's strength, loading from 10 to 30 (cylinders).

C. Branch supply units should best be organized with use of animals, and in equipping them one small smoke-release unit to be used on one occasion is preferable. In case of necessity, another method can be adopted.

#### 4. Weather:

(1) The continental climate of North China gives clear weather almost entirely from autumn to winter, with the direction and velocity of the wind every day the same and not subject to sudden changes as in the case of our Japan. Therefore, when it is planned to use special materials (poison gas: EC), it is necessary to exploit the special character of the weather at that time and that place. This is very important, and it was attention given to this point in the battle of Fowping which led to the achievement of good results.

(2) Generally the wind does not blow before sunrise and after sunset in North China, and the temperature varies greatly between daytime and night-time. The temperature from midnight until morning is much lower than during the daytime. These are the conditions as a fixed rule. Therefore, when the sun is rising or setting, although the circumstances of its setting are good (for gas attack: EC), nevertheless the velocity of the wind is slow, generally speaking, and in connection with the use of poison gas difficulties are sometimes experienced. It is therefore necessary to pay attention to this point.

#### (4) BATTLE PRECEDENTS:

(Not translated: EC)

Copied by FC  
Compared with JLM

793.94116/134

SEE 393.115/746 1/2

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



CROSS-REFERENCE FILE

NOTE

SUBJECT

Japanese aerial bombing of market town west of Pingshih, Honan,  
April 15, 1940.

Report on-, from the Reverend Arthur E. Nyhus: quotes ex-  
cerpts from-,

FRG.

793.94116 / 135

For the original paper from which reference is taken

See #522

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

Dated May 8, 1940

From  
To

China (Chungking)

File No. 793.94/15910

FRG.

135

CROSS-REFERENCE FILE

NOTE

SUBJECT

Recrudescence of Japanese aerial bombing activity in Szechuan.

Reporting on-, states that it is to be hoped that these attacks  
presage an endeavor on part of Japanese to restrict future  
aerial attacks to objects of a legitimate military nature.

For the original paper from which reference is taken

See #540  
(Despatch, telegram, instruction, letter, etc.)

Dated May 22, 1940 From China (Chungking) (Johnson)  
To

File No. 793.94/15915

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 Japanese aerial attacks on Chungking, today, by four groups of planes.

Severity of indiscriminate -, Reports concerning-

For the original paper from which reference is taken

See Tel #257; 9pm  
(Despatch, telegram, instruction, letter, etc.)

Dated June 12, 1940 From China (Chungking) (Johnson)  
To

File No. 793.94/15935

793.94116 / 137

137

OK

PLAIN

Chungking via N.R.

Dated June 12, 1940

Rec'd 7:32 p.m.

Secretary of State

Washington

257, June 12, 9 p.m.

Four groups comprising about one hundred ten Japanese planes today intensively and indiscriminately bombed Chungking concentrating their main attacks on the lower main business section of the city. Casualties among the civil populace probably will number several hundred. Property damage largely confined to commercial and residential structures appears to be the heaviest sustained in attacks on Chungking since the raid of May 4, 1939. All American nationals are believed to be safe. Various buildings of the American Methodist Mission including a church sustained damage from the concussion of nearby bombs, a detailed report of which will be submitted later. Although two groups of Japanese bombers flew almost directly over the American Embassy premises no (repeat no) bombs fell in the immediate vicinity thereof.

Repeated to Peiping, Hankow, Shanghai. Shanhia please repeat to Tokyo.

JOHNSON

CSB

NOTE  
793.94/116  
393.1163M56

793.94/15435

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

## CROSS-REFERENCE FILE

### NOTE

#### SUBJECT

Japanese air raids on Chungking, May 28; June 10; 11; 12, 1940.

Casualties and property damages sustained, set forth in enclosed statistical tables.

793.94116/138

For the original paper from which reference is taken

See #571  
(Despatch, telegram, instruction, letter, etc.)

Dated June 19, 1940 From China (Chungking) (Johnson)  
To \_\_\_\_\_

File No. 793.94/16009

793.94116  
138

CROSS-REFERENCE FILE

NOTE

SUBJECT Bombing of civilian populations.

Attitude of U.S. government on-, brought to attention of Japanese Foreign Minister, with reference to statement contained in Chungking's telegram #309, July 1. Mr Arita, as usual, replied that Japanese aviators seek to bomb only military objectives.

793.94116/139

For the original paper from which reference is taken

See Tel #566; Noon  
(Despatch, telegram, instruction, letter, etc.)

Dated July 11, 1940 From Japan ( - )  
To

File No. 793.94/16040

FE

RDS

GRAY

Tokyo via Peiping & N.R.

Dated July 11, 1940

Rec'd 8:11 p.m.

Secretary of State,  
Washington.

566, July 11, noon.

Department's 233, June 29, 6 p.m.

In the course of my conversation today with the  
Minister for Foreign Affairs I once again drew his atten-  
tion to the attitude of our Government towards bombings  
of civilian populations and read and left with him a copy  
of the substantive part of Chungking's 309, July 1, 10 a.m.  
At the same time I orally set forth with emphasis the signi-  
ficance of the statement in that telegram. Mr. Arita as  
usual replied that the Japanese aviators seek to bomb only  
military objectives.

Sent to the Department via Peiping. Peiping please  
repeat to Chungking.

UNSIGNED

EMB

note  
793,94116

793,94116040

793.94116

### NOTE

793.94116 / 140

See Tel #259; 10pm  
(Despatch, telegram, instruction, letter, etc.)

File No. 793.94/15938

U. S. GOVERNMENT PRINTING OFFICE 1-1540



CROSS-REFERENCE FILE

NOTE

SUBJECT Japanese bombing of Hochuan, Szechuan, July 22, 1940.

Reporting on-, states this attack, coupled with raids on Chengtu, July 24, and on Wanhhsien, July 28, seems to indicate a recrudescence of Japanese aerial attacks on open cities, apart from Chungking, under fairly continuous bombardment since May 28, 1940.

For the original paper from which reference is taken

See #612  
(Despatch, telegram, instruction, letter, etc.)

Dated July 29, 1940 From China (Chungking) (Johnson)  
To

File No. 793.94/16135

793.94116/141

141

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 Japanese aerial bombardment of educational and industrial areas  
west of Chungking.

Observations set forth by member of Embassy staff in attached  
memorandum of July 8, 1940. Ambassador comments on significance  
of Japanese "failures"

For the original paper from which reference is taken

See #589  
(Despatch, telegram, instruction, letter, etc.) China (Chungking) (Johnson)

Dated July 10, 1940 From } 793.94/16090  
To }

File No. 793.94/16090

793.94116/ 142

142

CROSS-REFERENCE FILE

NOTE

SUBJECT

Japanese indiscriminate bombing of Chungking: resultant hardships visited upon civilian population.

Extracts from letter of June 18, 1940, from Ambassador Johnson at Chungking.

793.94116 / 143

For the original paper from which reference is taken

See Memorandum

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

State Department  
PA/H (Hornbeck)

Dated July 9, 1940

From  
To

File No. 793.94/16088

CROSS-REFERENCE FILE

NOTE

SUBJECT Japanese bombing of Chungking, indiscriminately.

Conversation with Japanese Foreign Minister, July 11, 1940.  
Encloses memorandum of-, together with copy of statement,  
left with Minister, quoting substantive portion of tele-  
gram #309, July 1, from Embassy at Chungking.

For the original paper from which reference is taken

See #4840  
(Despatch, telegram, instruction, letter, etc.)

Dated July 12, 1940 From Japan (Grew)  
To

File No. 793.94/16101

793.94116/144

144



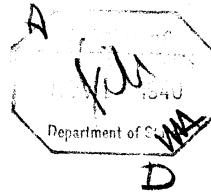
EMBASSY OF THE  
UNITED STATES OF AMERICA

No. 690.

Chungking, October 26, 1940

Subject: Transmission of Translation of  
Message Received from Kweilin  
Anti-Bombing Convention.

RECEIVED  
DEPARTMENT OF STATE  
1940 NOV 16 AM 10 02  
DIVISION OF  
COMMUNICATIONS  
AND RECORDS



Genre	Ref	Yes	No
Misc	USA		✓
Drumright			

COMMERCIAL AFFAIRS  
Department of State

NOV 23 1940

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

1/

I have the honor to transmit herewith a copy in translation of a telegram dated October 15, 1940, received by the Embassy from the "Kweilin (Kwangsi) Anti-Bombing Convention". The Convention requested that the message be transmitted to President Roosevelt and to Mr. Stalin of Russia.

The Embassy has acknowledged the message, stating that the substance thereof has been transmitted to the appropriate authorities of the American Government.

Respectfully yours,

*Nelson Trusler Johnson*

Nelson Trusler Johnson

Enclosure:

1/ Translation of message, as above

Original and one copy by air mail  
One copy by pouch, Hong Kong  
Copy to Peiping

711.6

EFD:MCL

NOV 26 1940

FILED

38/33

105.94113/143

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

Enclosure no. 1 to despatch no. 690 dated October 26, 1940 from American Embassy at Chungking on subject of "Transmission of Translation of Message Received from Kweilin Anti-Bombing Convention".

Translation of a telegram sent to the Embassy by the Central News Agency, Chungking, on October 23, 1940.

Translated: Hsi  
Checked : EFD  
Typed : MCL

Central News Agency

Please transmit copies of the following message separately to President Roosevelt and Mr. Stalin care of the American and Soviet Embassies, respectively:

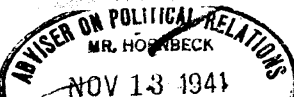
"The disaster of war has of late spread widely. Undefended cities and towns have been constantly bombed. Chinese nationals are dialy threatened by air raids and have suffered more seriously than the people of any other country. Having suffered the worst injuries in such bombings, we are especially grateful to you for the sympathy and assistance of the Government and people of your country.

"We now witness a similar disaster confronting the people of Europe and the tendency is that this disaster will be extended to all neutral states. We specially convene today an anti-bombing mass meeting of the entire (Kweilin) Municipality to express our deep sympathy with the peoples of the various countries who have been bombed and pay our respect to your efforts in promoting the anti-aggression movement as well as to indicate our bitter hatred toward those who have slaughtered civilians of the various countries. We sincerely hope that you will continue your efforts in guiding the anti-aggression movement, in persuading all your nationals to support the anti-bombing movement and in checking such cruel bombings by taking action for the sake of world peace and the future of civilization and mankind."

Kweilin Anti-Bombing Convention

(October ) 15th

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Gustafson NARS, Date 13-18-75



DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS  
RECEIVED

NOV 13 1941  
November 13, 1941

Mr. Hornbeck: DIVISION OF

BA/H

The question of taking action in this matter was discussed with the Secretary by Mr. Hamilton and Mr. McDermott and it is understood that decision is being held in abeyance pending receipt of a survey and report by M.I.D. in regard to Japanese use of poison gas. Such survey and report is now in preparation by M. I. D.

FE:Atcheson:MS

G.A

773.94/146

DEPARTMENT OF STATE

ADVISER ON POLITICAL RELATIONS

FE:

Has anything  
happened in reply  
to this?

ADVISER ON POLITICAL RELATIONS

U.S.

T

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

DCR

(PLEASE ATTACH TO  
Chungking's despatch 115,  
September 3, 1941,  
"Report of the Use of  
Poison Gas by Japanese  
Forces in China". I  
believe the file number  
is 793.94116/146.

HES (FE) )

For 793.94116/146



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



EMBASSY OF THE  
UNITED STATES OF AMERICA

No. 115.

Chungking, September 3, 1941

Subject: Report of the Use of Poison Gas  
by Japanese Forces in China.



copy in FE

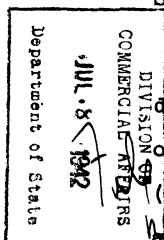
Mr. Tolson	Mr. E.A. Tamm	Mr. Clegg	Mr. Glavin	Mr. Ladd	Mr. Nichols	Mr. Rosen	Mr. Tracy	Mr. Carson	Mr. Egan	Mr. Gurnea	Mr. Harbo	Mr. Hendon	Mr. Jones	Mr. Mumford	Mr. Quinn	Mr. Nease	Mr. Gandy
										ONI MID							

The Honorable

The Secretary of State,  
Washington, D. C.

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

Sir:



I have the honor to enclose a copy of a letter dated July 30, 1941 from Charles E. Winter, a missionary of the Methodist Episcopal Church (American) at Putien (Hingwa 興化), Fukien, reporting his examination of a number of Chinese soldiers who he believes to be casualties of poison gas used against them by Japanese. This letter was forwarded to the Embassy by the recipient Bishop Carleton Lacy.

Respectfully yours,

C. E. Gauss

Enclosure:

PS/H

793.94116/146

793.94116

RECEIVED  
DEPARTMENT OF STATE  
1941 OCT 24 PM 1 12

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

- 2 -

Enclosure:

- 1/ Letter dated July 30, 1941 from  
Charles E. Winter to Bishop Carleton  
Lacy.

Original and four copies to the Department by pouch

711.6

JSS:MCL

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

Enclosure no. 1 to despatch no. 115 dated September 3,  
1941 from American Embassy at Chungking, China

( C O P Y )

Methodist Episcopal Church  
Putien (Hinghwa), Fukien, China.

July 30 1941

Bishop Carleton Lacy,  
Nanping, Fukien.

Dear Bishop Lacy:

Yesterday I went over to the C.M.S. (St. Lukes) Hospital in this city to see some soldiers that had been wounded in fighting near Futsing. Dr. M.K. Yue, physician and surgeon in charge of the hospital, and Miss Ethel Simpson, R.N. concur in stating that these are all cases of poison gas (probably mustard vapor).

The soldiers report that their position, a few li from the village of Tong Chang (東長) near Futsing (福清) was attacked on July 24th and shelled from a distance of a few li (less than a mile). The shells were not demolition type but small gas shells which exploded a few yards from them. The first effect was smarting of the eyes. Later there was a burning sensation of the skin and vomiting. The soldiers did not leave their positions which, they say, the Japanese made no attempt to occupy.

A few days later the worst of these cases came to Putien for treatment. There are no bullet or shrapnel wounds among this group of nineteen. (One more has come in since, making twenty). The wounds are all burns some still in the blister stage, some raw and open and suppurating. The areas involved vary in size from half inch square sore on legs arms face and body to patches as big as a square foot. The skin surrounding the burns is of a peculiar purplish red color, feverish looking and tender to the touch. These men are still suffering intensely and some will probably die. One had evidently breathed more of the gas than the others. His voice was almost gone and he talked with much pain and difficulty. The wounded soldiers report that the gas was of a yellowish color and smelled, they said, like pepper.

In view of international agreements against the use of poison gas in warfare to which Japan, I understand, is a signatory, I think this should be called to the attention of our State Department. I am not sending this to Foochow or Amoy Consulates for obvious reason. I wonder if you could forward it from there to the Ambassador at Chungking or to some nearer consulate from where it can be safely forwarded.

With best regards,

(True copy:  
circumfered:

Sincerely yours,  
(Signed) Charles E. Winter  
Charles E. Winter

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

No. 115. Chungking, September 3, 1941

Subject: Report of the Use of Poison Gas  
by Japanese Forces in China.

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

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Respectfully yours,

C. E. Gauss

Enclosure:

FW 793.94116/146

793.94116/146

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

- 2 -

Enclosure:

- 1/ Letter dated July 30, 1941 from  
Charles E. Winter to Bishop Carleton  
Lacy.

Original and four copies to the Department by pouch

711.6

JSS:MCL

True copy  
of signed  
original

Enclosure no. 1 to despatch no. 115 dated September 3,  
1941 from American Embassy at Chungking, China

( C O P Y )

Methodist Episcopal Church  
Putien (Hinghwa), Fukien, China.

July 30 1941

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With best regards,

Sincerely yours,  
(Signed) Charles E. Winter  
Charles E. Winter

# CHINESE NEWS SERVICE

1250 6TH AVENUE

NEW YORK, N. Y.

Phone: Circle 6-5225

Cable Address: SINONEWS

New York, October 30, 1941

VOICE OF CHINA  
(China News by Shortwave Radio)

## International Labor Conference

I.L.O. DELEGATES SAY IN CHINA  
LABOR-INDUSTRY ALLY FOR DEFENSE

Division of  
FAR EASTERN AFFAIRS  
NOV 1 1941  
Department of State

NEW YORK, Oct. 30 (CNS).....Free China has had no strikes since the beginning of the Sino-Japanese conflict, Chinese delegates to the conference of the International Labor Organization now meeting at Columbia University pointed out today in a special interview. Both the workers' delegate, Mr. Chu Hsueh-fan, who is President of the Chinese Association of Labor, and the employers' delegate, Mr. Shaw Kinn-wei, chairman of the China Institute of Industry and Commerce in Chungking, agreed that strikes were avoided by both of their groups because of their realization of the burning importance of China's defense program.

China is the only country whose delegates have been elected to office in each of the three major groups represented at the conference. Li Ping-heng, vice-chairman of the I.L.O. government group, has been China's permanent Government representative to the International Labor Organization in Geneva for eight years. Shaw Kinn-wei, vice-chairman of the I.L.O. employers' group, is an industrial leader in wartime China, and heads the one large organized body of employers in the Chinese wartime capital. Chu Hsueh-fan, vice-chairman of the I.L.O. workers' group, is the president of the Chinese Association of Labor and works as a mail sorter in the Chungking Post Office. Both Mr. Shaw and Mr. Chu flow over from Chungking to attend the conference. Also representing the Chinese Government is Dr. Tsune-chi Yu, Consul-General at New York.

## War Bulletins

CHINESE BATTLE IN YELLOW RIVER REGION  
IN 2 PROVINCES, REOCCUPY SHANSI TOWN

CHUNGKING, Oct. 28 (CNS)....Today's war communique reports several engagements in the southern and western part of Shansi Province. Japanese forces attacked Chinese positions near Hotsin, a highway city on the east shore of the Yellow River in western Shansi, last Friday afternoon (Oct. 24) but they were vigorously repulsed by the Chinese. North of the Fen River, which branches off the Yellow River at Hotsin, Chinese troops made attacks on Fencheng and other points on Friday morning and retook Nansintien, important town north of Fencheng. Japanese lines of communications linking Fencheng and the area to the north have thus been cut.

On the North Honan front Chinese units raided Chihsien, railway station north of the Yellow River, last Tuesday (Oct. 21) destroying some sections of the railway and inflicting more than one hundred fifty casualties on the enemy.

On the eastern front Chinese troops recently thrice penetrated the famous wine city of Shaohing in northern Chokiang. Street fighting took place inside the city where the Japanese military establishments were destroyed.

## Retake Islands Off Fukien

More islands off the Fukien coast in South China have been reoccupied by the Chinese. Fookiang Island was retaken on Saturday afternoon (Oct. 25) while Chwanshih Island fell back into the hands of Chinese on Sunday morning. Both islands are situated near the mouth of the Min River. The Japanese retreated to their warcraft which later steamed away. (Chwanshih Island is also known as Sharp Peak Island.)

October 30, 1941

VOICE OF CHINA -.2.

October 30, 1941

In Central China Chinese forces are continuing their chase of the retreating Japanese in the area southeast of Shasi, Yangtze port west of Hankow. Three more important points were recovered last Saturday noon. Near Chienkiang in the same area the Japanese crossed the Tungking River last Friday pushing southward against Laosinkow. Brisk fighting is now proceeding in that sector.

#### DOWN JAPANESE PLANE OVER SHENSI

CHUNGKING, Oct. 28 (CNS)....More Japanese air activity over Shensi Province was reported yesterday. An unascertained number of enemy planes flew over wide areas in North and West Shensi Province yesterday dropping bombs in some places. Damage was slight. One enemy plane hit and damaged by Chinese fire in the course of a raid crashed in the vicinity of Chihsien. All three members of its crew were taken prisoner by the local military authorities.

#### Chinese Opinion

##### PRESS SEES DELIBERATE JAPANESE ACT IN SIBERIAN BORDER CLASH

CHUNGKING, Oct. 28 (CNS)....The Chungking press today gives considerable prominence to the reports of the Russo-Japanese border clash. Sao Tang Pao, Army organ, said that the fresh incident is not a good omen at a time when Russia is busily engaged in the west. The Japanese violation of the Siberian border must be a deliberate act which may yet be aggravated by the Japanese military hotheads on the spot. The conflict was on a small scale but it was certainly different from the previous ones.

Ta Kung Pao says that close attention should be given to this border clash which indicated that the Axis partner in the Far East may take the present opportunity to strike on Russia's eastern maritime provinces. In this connection the influential Chungking daily reasserts that to put Japan out of the way by the coalition of China, Britain, America and Russia is the first job that the Democracies should do in the Far East.

#### The Press

##### I.N.S. NEWSMAN BACK FROM ICHANG FRONT BRINGS STORY OF JAPANESE GAS VICTIMS

CHUNGKING, Oct. 28 (CNS)....Supplementing details of the gas attacks resorted to by the Japanese during the recent Chinese drive against Ichang, Jack Beldon, correspondent of the International News Service who just returned from an extended trip from North and West Hupoh, said he had seen corpses of victims as well as people who are suffering from the effects of poison gases used by the Japanese. He witnessed victims covered with blisters, some as large as tennis balls and filled with liquid. The sufferers, he said, were in great agony. When first attacked by gas the soldiers, though feeling the effect in their eyes, did not take it seriously and continued fighting. However, blisters soon broke out all over the body and the skin turned black and red. Mr. Beldon said it was impossible to gain a complete account of the gas attacks since the Chinese who entered Ichang were ordered to evacuate quickly and many victims had to be left behind. One of the Chinese divisions participating in the attack reported gas casualties as high as one third of its total strength. Some of the victims interviewed said they vomited and felt violently ill when gassed, the suffering increasing when blisters broke out.

In the hills outside Ichang the Japanese have built elaborate defenses protecting the city with sixty to seventy interlocking fire, reported Beldon. The Chinese, he said, were forced to make an uphill fight attacking slopes. When the Chinese finally broke through the Japanese poured in gas shells from the rear and flank. Mr. Beldon talked with a foreign doctor working for the Chinese Red Cross. One of the names of the gases the Japanese used, as given by the doctor, was iperite which was believed to be a mustard gas.

#

(Shortwave Broadcast, "Voice of China," over XGOY, Chinese International Broadcasting Station at Chungking, picked up by Chinese News Service; broadcast of October 28.)

October 30, 1941



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

793.94116

## CROSS-REFERENCE FILE

### NOTE

**SUBJECT** Japan's Atrocities in China:  
Memorandum regarding -.

For the original paper from which reference is taken

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

Dated Feb. 3 1942 From State Dept. (Smyth)  
To Far Eastern Affairs

File No. 740 0011 Pacific War/2037<sup>4/8</sup>

U. S. GOVERNMENT PRINTING OFFICE 1-1540

793.94116/147

P S /NB

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

G-2 report

Division of  
FAR EASTERN AFFAIRS  
MAR 18 1940  
Department of State

BRAZIL - Combat

LCM/B

Subject: Return of Major Figueiredo,  
Brazilian observer, Japan-  
China conflict

Reference: M/A Brazil's No. 2125, file 6930-e, 26 July '38.

1. Early in 1938 the Japanese Government invited General Goes Monteiro, Brazilian Army Chief of Staff, to head a Military Mission to visit Japan and to observe the Japanese operations in China. This invitation could not be accepted, but Major José de Lima Figueiredo, Engineer Corps, was sent to Japan as Military Attache and special military observer.

2. Major Figueiredo returned to Brazil last November, bringing with him a collection of gifts and remembrances from the country in which he served. Shortly after his return, a notice of commendation appeared in the Army Bulletin, of which the following is a translation:

Eulogy

His Excellency, the Minister of War, ordered the following to be published:

Major José de Lima Figueiredo has just returned from Japan, where he acted as military observer for over a year. The manner in which he carried out the mission entrusted to him is eloquently expressed in the highly praiseworthy and complimentary terms of His Highness Prince Ka-hin, Japanese Chief of Staff and of His Excellency the Minister of War of Japan. Both of them pronounce him an officer of exceptional personal and military value, a keen observer, who not only studied professional subjects searchingly, often accompanying war operations at the risk of his own life, but also investigated minutely the material and spiritual activities of Japanese life in such a way as to obtain a clear and lasting vision of the country and of the Army which so cordially and courteously received him as its guest.

The just and flattering expressions of those high personages did not surprise me, because Major Lima Figueiredo has long been recognized in the Army for his high military qualities and his exceptional culture.

To make these public is a measure of justice which is due as a reward to the distinguished officer, who, far from his own country showed himself competent to represent worthily the Army of which he is a member.

(Notice No. 1,158 of January 12, 1940)

3. In a recent list of prospective promotions dated in February, 1940 appears the name of Major Figueiredo who will be promoted to Lieutenant Colonel for merit. Major Figueiredo was born June 2, 1902, became a 2nd Lieutenant in 1922, 1st Lieutenant in 1923, Captain in 1931, and Major (for merit) in 1937. He is now assigned to the General Staff of the Army and serves in the office of the Minister of War.

From: M/A Brazil

Report No. 2348

February 20, 1940

- 2 -

G-2 report

6930-a

BRAZIL - Combat

Subject: Return of Major Figueiredo, Brazilian observer, Japan China conflict

4. Major Figueiredo speaks some English, stating that he had learned it in Japan, principally in association with the American Military Attaché. He is active, bright and friendly and appears partial to the United States.

5. Meanwhile, Lieutenant Colonel Yoiti Kôko, the Japanese Military Attaché who succeeded Colonel Nakanishi, the "trade" for Major Figueiredo, remains in Brazil. He states that Colonel Nakanishi is now in New York City. As to his own case, he states that he (Colonel Kôko) expects to remain in Brazil for 2 years and that he plans to visit the west coast of South America in the near future. He is not accompanied by his family in Brazil.

Lawrence C. Mitchell, Major, G.S.,  
Military Attaché, Brazil

Source:

Army Bulletin  
Personal acquaintances

From: M/A Brazil

Report No. 2348

February 20, 1940

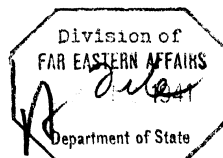
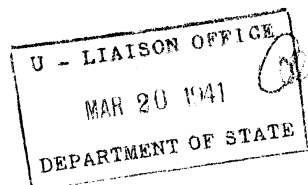
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton D. Quisenberry NARS, Date 12-18-75

DEPARTMENT OF STATE  
THE UNDER SECRETARY

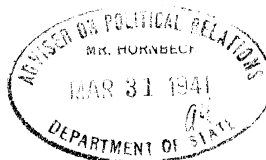
March 20, 1941

U-L ✓  
Mr. Wilson:

793.94118  
Here is a further matter which  
I should like to take up at the next  
meeting of the Liaison Committee.  
Please have it included in the agenda.

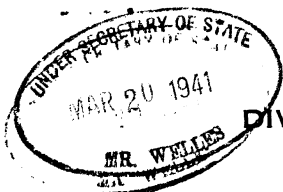


U-SW:DMK



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

CONFIDENTIAL



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

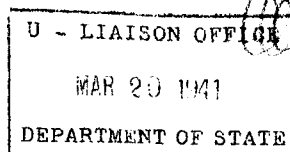
March 19, 1941



U  
Mr. Welles

As you will recall, Mr. Currie in his talk with you on March 19, mentioned the suggestion which he brought back from Chiang Kai-shek that this Government send a high-ranking aviation officer on a brief visit to China. I believe that Mr. Currie said that he had mentioned this suggestion to the President. You had it in mind to mention this matter to General Marshall and to Admiral Stark at your next meeting with them and to suggest that the War Department and the Navy Department each select a suitable high-ranking officer from their respective air services who might be sent to China on brief visits, at such time in the future as it might seem opportune to send such officers.

793.94118/103



FE:Hamilton:MHP

APR 14 1941

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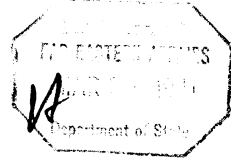
PS/ASIAL FILE

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



DEPARTMENT OF STATE

U - LIAISON OFFICE THE UNDER SECRETARY  
APR -1 1941  
DEPARTMENT OF STATE



March 31, 1941.

FE - Mr. Hamilton:

On March 19 you sent a memorandum to Mr. Welles with reference to the recent visit of Mr. Currie to China. You suggested to Mr. Welles he might recommend to General Marshall and Admiral Stark that each of their Departments select a suitable officer from the air services to be sent to China on brief visits.

Mr. Welles discussed this matter at the meeting of the Liaison Committee held on March 24. General Marshall stated that although there <sup>is</sup> ~~was~~ a shortage of available men it may be possible to send to China a general of the aviation corps who is about to leave for the Philippines. Admiral Stark did not indicate whether or not it would be possible to send a naval officer on the same mission.

U-L:OWilson:PRH

793.94118/104

PS/BAS. Confidential file

APR 2 - 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

March 31, 1941.

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U-L:OWilson:PRH

**MICROCOPY**

**976**

**ROLL**

**95**

