

**NATIONAL  
ARCHIVES  
MICROFILM  
PUBLICATION**

**MICROCOPY**

**976**

**ROLL**

**11**



**NATIONAL ARCHIVES MICROFILM PUBLICATIONS**

Microfilm Publication M976

RECORDS OF THE DEPARTMENT OF STATE

RELATING TO POLITICAL RELATIONS

BETWEEN CHINA AND JAPAN, 1930-1944

Roll 11

1930-39

793.94/3901-4080

Jan.-Feb. 1932



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

WASHINGTON: 1975

## NATIONAL ARCHIVES MICROFILM PUBLICATIONS

### INTRODUCTION

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

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

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

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

## NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

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

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

## NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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


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

## NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

HS

TELEGRAM RECEIVED GRAY

Shanghai

FROM

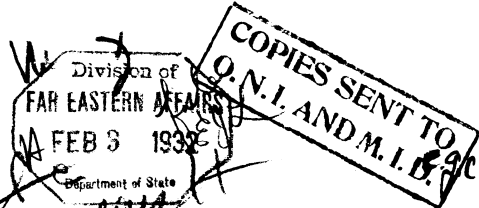
Dated February 3, 1932

Rec'd 6:17 a.m.

Secretary of State  
Washington

PRIORITY

February 3, 2 p.m.



FLS

793.94/3901

Japanese Consulate General states that at 5:30 a.m. today when three Japanese destroyers (?) passing ~~Woosung~~ forts on the way to Sasebo they were fired upon by forts. Fire was returned. Japanese Consulate General states Japanese arranging to occupy Woosung forts. Repeated to the Legation and Nanking for information.

CUNNINGHAM

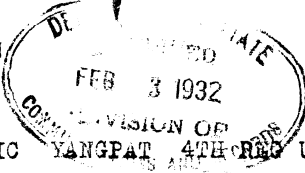
RPF

793.94  
7.5.32  
793.1025  
893.5146

FILED  
FEB 9 1932

5995 NPG

FROM USS SIMPSON  
TO COMYANGPAT  
INFO CINC ASIATIC YANGPAT 4TH FLEET USMC  
OPNAV



4  
FF  
DER  
file

0029 JAPANESE VERSION SHANGHAI ATTACK IS THAT YESTERDAY AFTERNOON  
INTERNATIONAL SETTLEMENT MILITARY AUTHORITIES DECLARED STATE OF EMER-  
GENCY AND IN CONFORMITY TO PREARRANGED PLAN JAPANESE FORCES TOOK UP  
ALLOTTED AREA CONTIGUOUS TO CHAPEI AT END NORTH SHECHUAN ROAD. JAPANESE  
SENT ADVANCE FORCE TO CHINESE AUTHORITIES INFORMING THEM OF INTENTION  
TO MOVE TROOPS INTO THIS AREA AND SUGGESTING CHINESE REMOVE THEIR TROOPS  
WHICH THEY DID NOT DO BUT ON THE CONTRARY ATTACKED JAPANESE CONTINGENT  
WHEN IT ARRIVED AND JAPANESE HAD NO RECOURSE BUT TO REPLY IN SELF DEFENSE  
CHINESE ACCOUNT FRAGMENTARY BUT TO THE EFFECT THAT JAPANESE BEGAN FIGHT  
AND INVADDED CHINESE TERRITORY. JAPANESE CONSUL HANKING THIS MORNING  
REPEATED HIS ASSURANCE THAT NAVAL VESSELS PRESENT WOULD NOT TAKE INITI-  
ATIVE IN FIRING ON HANKING. 1730

F/DEW  
793.94/3902  
A

13 ACTION 10A 11 16 38 19 20 05 FILE

RECEIVED IN SERVICE CIPHER AT 2050 29 JANUARY 1932

THIS COPY FOR STATE DEPARTMENT

NOTED  
JAN 30 1932

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

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department  
OR

Charge to

\$

793.94/A  
note  
500. C117  
123 W 693  
123 killed, see time

WILSON,

LES BERGUES,

GENEVA, (SWITZERLAND).

For Minister Wilson.

Inasmuch as you are now in Geneva the Department wishes you to keep in touch with the developments on the Sino-Japanese situation in Geneva, <sup>just</sup> as you did before sailing for the United States. It does not, however, desire any change in the present method of reporting to the Department which has been highly satisfactory.

It is desired that you avail yourself freely of Gilbert's assistance both in regard to keeping in contact with the situation and in regard to preparing and transmitting reports and communications to and from the Department, using the facilities of the Consulate exactly as heretofore. I wish to caution you that the time element is of the greatest importance in this matter. If at any time it should be necessary for you to be absent from Geneva even for a short period

Gilbert

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

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

Index Bu.—No. 50.

TELEGRAM SENT

Department of State

Washington,

February 1, 1932.

This cable was sent in confidence.  
It should be carefully paraphrased  
being communicated to a

FEB 1 1932

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

793.94/3902A



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

PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department  
OR

Charge to  
\$

## TELEGRAM SENT

### Department of State

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Washington,

-2-

Gilbert should carry on as heretofore in your absence. The Department will address telegrams on this subject to you QUOTE Care of Amdelgat, Geneva, for Minister Wilson UNQUOTE. The telegrams are not intended for the Delegation but for you and Gilbert. This will, however, provide a facility for prompt coordination in the event that the question is brought up at the Disarmament Conference.

#### STRICTLY CONFIDENTIAL

FOR WILSON. I have been proceeding on the suggestion contained in your 13, January 18, 11 a.m., (approved in my 14, January 18, 6 p.m.) which indicated that at that time you did not think it advisable to take up the Manchurian question yourself. I assumed that you would advise me when you thought the time came for a change in procedure.

*Wilson*

*WE:PLB:ME*

*FE:*

*SICK*

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. Lustigsm NARS, Date 12-18-75

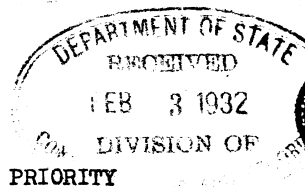
COPY

OPNAV

LT THORNE (COMDR LAMMERS)

27 Jan 1932

SERVICE



CINC ASIATIC

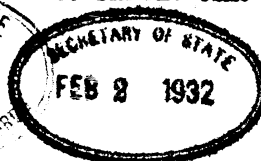
COMYANPAT  
COMDT 16TH NAVDIST  
USS TRUXTON  
CO 4TH REG USMC

ACK

ACK

ACK

ACK



0027 REPORTS RECEIVED IN WASHINGTON INDICATE POSSIBLE JAPANESE  
INTENTION TO SEIZE RCA RADIO STATION SHANGHAI AND TO ESTABLISH  
COMMUNICATION CENSORSHIP SHANGHAI PERIOD DEPARTMENT DESIRES  
AMERICAN PRESS MESSAGES AND COMMERCIAL TRAFFIC BE NOT REPEAT  
NOT INTERRUPTED AND IN CASE COMMERCIAL COMMUNICATION SYSTEMS ARE  
CENSORED OR INTERRUPTED AUTHORITY IS HEREBY GRANTED FOR HANDLING  
OF AMERICAN PRESS AND COMMERCIAL MESSAGES BY NAVY RADIO BETWEEN  
PHILIPPINES AND NAVAL SHIPS AT SHANGHAI NOT REPEAT NOT TO INTERFERE  
WITH OFFICIAL NAVY TRAFFIC 1800

CC: State Dept. (Via Op-13) ✓  
Op-10.  
Op-16.  
Op-20.

F/TFV 793.94/3902

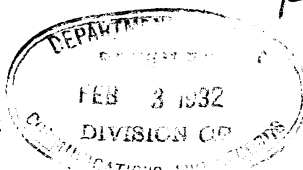
AA

FILED

JAN 4 1932

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

6409 NFG



XT YT

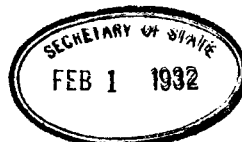
RECEIVED IN SERVICE CIPHER

FROM: CINCASIANIC  
TO : OPNAV  
INFO: 4TH REG.-USS SIMPSON-ALMIN CHINA

PRIORITY

OR

0001 HAVE ORDERED FOUR DESTROYERS TO LEAVE MANILA FOR SHANGHAI  
AT 0900 AND THREE TO LEAVE AT 1300. CINC IN HOUSTON WILL SAIL  
AT 1300 WITH 240 MARINES FROM CHAUMONT AND ALL AVAILABLE  
MARINES FROM CAVITE 0156



ACTION 13

00 001 01 104 11 16 19 20 38 05

RECEIVED IN CODE ROOM  
1335 31 JANUARY 1932

F/DEW

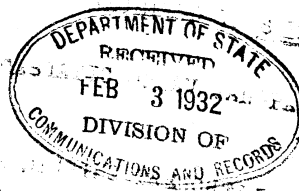
793.94/3902  
B

JUN 4 1932

FILED

THIS COPY FOR STATE DEPARTMENT

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



F/TFV 793.943902  
BB

THIS COPY FOR STATE DEPARTMENT

NOT RECORDED

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

PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department

OR  
Charge to  
\$

PM REC'D  
TELEGRAM SENT

Department of State

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Washington,

February 1, 1932.

AMERICAN CONSUL  
GENEVA, (SWITZERLAND)

35 Confidential FOR GILBERT.

I have today telegraphed Wilson as follows:

QUOTE Inasmuch as you are now in Geneva the  
Department wishes you to keep in touch with the develop-  
ments on the Sino-Japanese situation in Geneva, <sup>just</sup> as you  
did before sailing for the United States. It does not,  
however, desire any change in the present method of  
reporting to the Department which has been highly  
satisfactory.

It is desired that you avail yourself freely of  
Gilbert's assistance both in regard to keeping in contact  
with the situation and in regard to preparing and trans-  
mitting reports and communications to and from the  
Department, using the facilities of the Consulate  
exactly as heretofore. I wish to caution you that the  
time element is of the greatest importance in this matter.  
If at any time it should be necessary for you to be

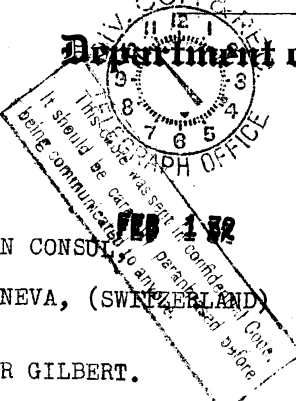
absent

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

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

793.94/3902B

793.94/A  
note  
123 Gilbert, etc.  
PMS



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

PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department

OR

Charge to  
\$

## TELEGRAM SENT

**Department of State**

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Washington,

-2-

absent from Geneva, even for a short period, Gilbert, should carry on as heretofore in your absence. The Department will address telegrams on this subject to you SUBQUOTE Care of Amdelgat, Geneva, for Minister Wilson END SUBQUOTE. The telegrams are not intended for the Delegation but for you and Gilbert. This will, however, provide a facility for prompt coordination in the event that the question is brought up at the Disarmament Conference END QUOTE.

PLB. I wish to express my gratification at the highly efficient manner in which you <sup>are carrying</sup> ~~have carried~~ out the Department's instruction in dealing with this question and the very full and prompt manner in which you have kept the Department informed. I am sure that in your collaboration with Wilson and in supplying him with your advice, experience and assistance, the Department will find the maximum of efficiency in <sup>covering this field to the</sup> ~~dealing with this~~ <sup>fullest extent.</sup> ~~matter.~~

*Stinson*

PLB.  
WE:PLB:ME

FE:

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

1-128  
PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department  
OR  
Charge to  
\$

## TELEGRAM SENT

Department of State

Washington,

1-128

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

*Gray*

February 2, 1932.

*1 pm*

WILSON

BERGUES

GENEVA (Switzerland)

*723  
1107  
1107*

Referring to American Delegation Number 1/3902a February 1,

6 p. m. for Minister Wilson:

In order to keep Sino-Japanese messages separate Department  
will hereafter address such telegrams in separate series to "Wilson,  
Bergues, Geneva." *Please do likewise for your messages.*  
Consider message above referred to as No. 1  
of that series and American Delegation Number 1 cancelled.

*DD*

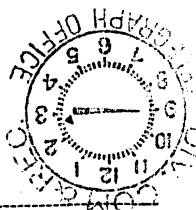
*Stinson  
(D.G.S.)*

DCR - D.A.S.

FE  
*m.m./h*

WE  
*P.M.S.*

FEB 2 32



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

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

Index Bu.—No. 50.

RECD PM DEPARTMENT PRINTING OFFICE: 1932 1-128

793.94/3902C

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

Collect  
Charge Department  
OF

Charge to

**Department of State**

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

**Washington.**

February 1, 1932.

AMEMBASSY,

**FEB 1 32**

TOKYO (Japan).

Very urgent. 34

You will please arrange to call on the Minister for Foreign Affairs at six o'clock ~~this~~ evening, Tokyo time, to deliver to him a note the text of which follows:

You will say to the Minister for Foreign Affairs by way of introduction that you have conveyed to the American Government his request made at your conference with him on January 31 to the effect QUOTE that he requested that the United States use its good offices to induce the Chinese troops not to bring up further reenforcements and to withdraw the troops now in Shanghai to a safe distance to avoid clashes UNQUOTE. You will say that your Government has given earnest consideration to this request and in response suggests to the Japanese Government the following proposal for such cessation of hostilities. You will then read him the following note and leave with him a copy of it. You will say that the same proposal is being submitted to the Chinese Government.

QUOTE Proposal of the powers for cessation of conflict.

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

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

**Index Bu.—No. 50.**

U. S. GOVERNMENT PRINTING OFFICE: 1921 1-139

**793.94/3902D**



101  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

TELEGRAM SENT

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Collect  
Charge Department  
or

Department of State

Charge to  
\$

Washington,

- 2 -

One. Cessation of all acts of violence on both sides forthwith on the following terms.

Two. No further mobilization or preparation whatever for further hostilities between the two nations.

Three. Withdrawal of both Japanese and Chinese combatants from all points of mutual contact in the Shanghai area.

Four. Protection of the International Settlement by the establishment of neutral zones to divide the combatants. These zones to be policed by neutrals. The arrangements to be set up by the Consular authorities.

Five. Upon acceptance of these conditions prompt advances to be made in negotiations to settle all outstanding controversies between the two nations in the spirit of the Pact of Paris and the Resolution of the League of Nations of December 9, without prior demand or reservation and with the aid of neutral observers or participants. UNQUOTE )

The British Government, is sending, the British Ambassador, similar instructions, The British Government, is, proposing, to the French and the Italian Governments, that they, take, similar action,, In the event that, those, Governments, decide, favorably, within, time to make possible, this, I

Enciphered by .....

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1938 1-138

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

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department  
OR

Charge to  
\$

## TELEGRAM SENT

**Department of State**

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

*Washington,*

- 3 -

presentation by their Ambassadors, of like representations,  
at the same time, you will be informed, either through the  
Department or through your British colleague, Confer with  
the British Ambassador and arrange that you and he make  
your calls at the same time.

*Stimson*

FE:SKH/ZMF

FE

Enciphered by .....

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

Index Bu.—No. 60.

U. S. GOVERNMENT PRINTING OFFICE: 1958 1-138

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

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



FROM: USA TRUXTON

TO : CINCINNATI, OH

INFO: 30-06601-14 2014-01-01

0031 FOLLOWING QUOTED FROM EXCEL. 22 10 00 DIVISION OF  
"MILITARY AND CONSULAR OFFICIALS OF THE UNITED STATES WILL  
CHINA AND JAPAN. IT IS UNDERSTOOD BETWEEN THESE TWO NATIONS  
AT THE POINT OF RES. FURTHER STEPS TO SUB. NEGOTIATION. NEGOTIATION  
TALKS TO PROLONG THE PEACE AND TRUCE. WITH THIS IN MIND, THE  
FRIDAY. THE CONSULAR AND MILITARY REPRESENTATION REQUESTED  
PRESENT TO WITHDRAW TROOPS FROM CHINESE TERRITORY. IT WAS  
SUCH ACTION COULD BECOME A MAJOR ISSUE AND AN OBSTACLE TO  
AT TOKYO AND THE JAPANESE DELEGATION REQUESTED THE  
COMMUNICATION WITH THE CHINESE. THE CHINESE DELEGATION  
FORCES WILL CONTINUE TO BE RESPONSIVE TO THE  
MILITARY LINE AND BOTH SIDES WILL RESUME THEIR  
EIGHT OF THE CHINESE DELEGATION. THE CHINESE DELEGATION

THIS COPY FOR STATE DEPARTMENT

F/DEM

793.94/3902

2000

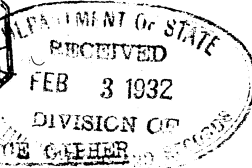
JUN 4 1932

DECLASSIFIED: E.O. 11652, 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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SHEET 2

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IN EFFECT UNTIL CHINESE NATIONAL GOVERNMENT LEADERS HAVE HAD OPPORTUNITY TO REPLY. THE ENTIRE PROCEEDINGS WERE VERBALLY DISCUSSED.

ACTION 13

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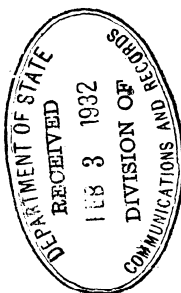


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1600 #1 31 JANUARY 1932

THIS COPY FOR STATE DEPARTMENT

4935-94/3902

DECLASSIFIED: E.O. 11652, 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 2, 1932.

Telephone Message from Lieutenant Chandler. 10:30 a. m.

February 2, 1932.

Despatch from U. S. S. SIMPSON at Nanking.

About two hundred Chinese soldiers are digging trenches along the Pakow side of the river above railroad station for a distance of about one-half a mile.

This despatch was dated 4:00 p. m. February 2.

F/TFV 793.94/3902

CC

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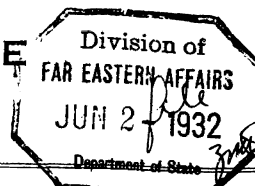
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

NAVAL MESSAGE  
(NAVY DEPARTMENT)



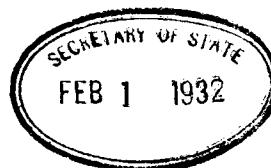
U. S. GOVERNMENT PRINTING OFFICE: 1930			
From <u>CNO</u>	ACTION	To <u>C-IN-C U.S. ASIATIC FLEET</u>	Write ACK. after addressee requiring acknowledgment
Released by <u>31 JAN</u> (signature)		To	
Date	INFORMATION		
If Secret, Confidential, or Restricted, indicate below:			
(DO NOT WRITE IN THIS SPACE)			
4-5359			

F/DEW

NITE (.....) ROUTINE (.....) PRIORITY (.....)  
TEXT

0031 DUE TO THE GRAVE DANGER OF LIVES OF FOREIGNERS RESIDING IN SHANGHAI  
AS A RESULT OF RECENT OPERATIONS UNDERTAKEN THERE AND FOR THEIR PROTECTION  
AT THAT PLACE AND OTHER RIVER PORTS COMMA YOU ARE DIRECTED TO SAIL FOR  
SHANGHAI IMMEDIATELY WITH THE HOUSTON AND SUCH DESTROYERS AS ARE AVAILABLE 0858

793.94/3902



3 COPY FOR STATE DEPARTMENT

JUN 4 1932

DECLASSIFIED: E.O. 11652, 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 2, 1932.

Telephone Message from Lieutenant Chandler. 10:30 a. m.  
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Despatch from U. S. S. SIMPSON at Nanking.

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along the Pukow side of the river above railroad station for  
a distance of about one-half a mile.

This despatch was dated 4:00 p. m. February 2.

F/TFV 793.94/3902  
CC

*hank!*  
*2/2*

REK/REK

NOT RECORDED



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

NAVAL MESSAGE  
(NAVY DEPARTMENT)

Division of  
FAR EASTERN AFFAIRS  
JUN 2 - 1932  
Department of State

U. S. GOVERNMENT PRINTING OFFICE: 1930			
From <u>OPNAV</u>	ACTION	To <u>CINC ASIATIC</u>	Write ACK. after address requiring acknowledgment
Released by _____ (Signature)		To _____	
Date _____		INFORMATION	
If Secret, Confidential, or Restricted, indicate below:		SOP SHANGHAI FEB 3 1932 DIVISION OF COMMUNICATIONS	
(DO NOT WRITE IN THIS SPACE)			

F/DEW

793.94/3902  
E

NITE (.....) ROUTINE (.....) PRIORITY (.....)  
TEXT

0031 AT THE REQUEST OF COMMANDER DEFENSE FORCES SHANGHAI FOR  
REINFORCEMENTS YOU MAY LAND SUCH FORCES FOR PROTECTION OF SETTLEMENT AS  
YOU HAVE AVAILABLE 1152



JUN 4 1932  
RECEIVED

THIS COPY FOR STATE DEPARTMENT

(Originator's Desk Copy. Deliver to Communication Office. Will be returned to Originator after message has been transmitted)

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

1-128  
PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department  
OR  
Charge to  
\$

PM RECD  
TELEGRAM SENT

Department of State

*Gray*  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Washington,

February 1, 1932.

FEB 1 32

AMERICAN CONSUL,

NANKING (China).

*Rush. Triple Priority 12*

*February second*  
You will please arrange to call on the Minister for Foreign Affairs at five o'clock ~~this~~ evening, Nanking time, to deliver to him a note the text of which follows:

You will say to the Minister for Foreign Affairs by way of introduction that the American Government has studied with care the statement made by the Minister for Foreign Affairs as reported in your 23/3778 January 31, 10 p.m., and, on the basis of the Minister's statement that QUOTE the present policy of the Chinese Government is one of self-defense <sup>and</sup> UNQUOTE assuming that the Chinese Government does not desire continuance of hostilities, suggests to the Chinese Government the following proposal for cessation of hostilities. You will say that the same proposal is being made to the Japanese Government. You will then read him the following note and leave with him a copy of it.

793.94/3502E

DISTRIBUTION

Enciphered by .....

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-128

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

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

## TELEGRAM SENT

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Collect  
Charge Department  
OR

## Department of State

Charge to  
\$

- 2 -

Washington,

QUOTE Proposal of the powers for cessation of conflict.

One. Cessation of all acts of violence on both sides  
forthwith on the following terms.

Two. ~~No~~ further mobilization or preparation whatever  
for further hostilities between the two nations.

Three. Withdrawal of both Japanese and Chinese com-  
batants from all points of mutual contact in the Shanghai  
area.

Four. Protection of the International Settlement  
by the establishment of neutral zones to divide the com-  
batants. These zones to be policed by neutrals. The  
arrangements to be set up by the Consular authorities.

Five. Upon acceptance of these conditions prompt  
advances to be made in negotiations to settle all out-  
standing controversies between the two nations in the  
spirit of the Pact of Paris and the Resolution of the  
League of Nations of December 9, without prior demand  
or reservation and with the aid of neutral observers  
or participants UNQUOTE.

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

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

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\$

## TELEGRAM SENT

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

## Department of State

Washington,

- 3 -

The British Government is sending to your British colleague similar instructions. The British Government is proposing to the French and the Italian Governments that they take similar action. In the event that those <sup>two</sup> Governments <sup>also</sup> decide favorably within time to make possible the presentation by their <sup>representatives</sup> ~~ambassadors~~ of like representations at the same time, you will be informed either through the Department or through your British colleague. Confer with British colleague and arrange that you and he make your calls at the same time. Similar calls <sup>are to</sup> ~~will~~ be made in Tokyo at the same time.

*Stinson*

*Wky*  
FE: SKH: REK

FE

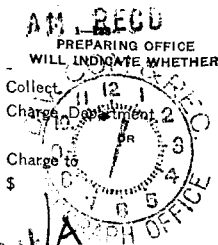
Enciphered by \_\_\_\_\_

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1925 1-138

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



TELEGRAM SENT

Department of State

Washington,

February 3, 1932.

793.94/A  
FEB 3 1932 AMERICAN CONSUL

SHANGHAI (CHINA).

URGENT.

Please keep Embassy, Tokyo, fully and promptly

informed with authoritative <sup>accounts</sup> ~~statements~~ of outstanding  
<sup>significant</sup> events at Shanghai.

Stinson  
why

793.94/3902F

FEB 3 32

FE:RSM:EJL

FE

Enciphered by

Sent by operator

M.,

Feb. 3, 1932

Index Bu.—No. 80.

AM REC'D

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-126

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

NAVAL MESSAGE  
(NAVY DEPARTMENT)

Division of  
FAR EASTERN AFFAIRS  
JUN 2 1932

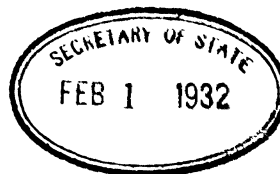
U. S. GOVERNMENT PRINTING OFFICE: 1928	
From <u>CNO</u>	ACTION To <u>CINC ASIATIC</u>
Released by _____ (Signature)	
Date <u>31 JAN</u>	INFORMATION To _____
If Secret, Confidential, or Restricted, indicate below:	
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4-5359	

F/DEW

793.94/3902

NITE (.....) ROUTINE (.....) PRIORITY (.....)  
TEXT

0031 HOLD CHAUMONT COMMA BEAVER COMMA CANOPUS AND BLACK HALK AT MANILA  
IN READINESS FOR TRANSPORTATION WORK IF REQUIRED 1132



WENS COPY FOR STATE DEPARTMENT

JUN 4 1932

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

NAVAL MESSAGE  
(NAVY DEPARTMENT)

U. S. GOVERNMENT PRINTING OFFICE: 1930

From <u>CNO</u>	ACTION	To <u>CINC ASIATIC</u>
Released by _____ (Signature)		To _____
Date <u>31 JAN</u>	INFORMATION	To _____
If Secret, Confidential, or Restricted, indicate below:		To _____

(DO NOT WRITE IN THIS SPACE)

4-5359

Division of  
FAR EASTERN AFFAIRS  
JUN 2 1932  
Department of State

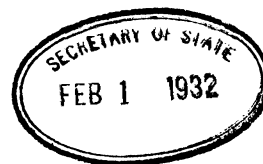
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FEB 3 1932  
DIVISION OF

Write ACK after delivery  
requiring acknowledgment

F/DEW  
793.94/3902  
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NITE (.....) ROUTINE (.....) PRIORITY (.....)  
TEXT

0031 WITHOUT DELAYING YOUR SAILING ORDERS EMBARK ON THE HOUSTON AS MANY  
OF THE MARINE GUARD FROM CAVITE AS YOU CAN CONVENIENTLY CARRY 1115



JUN 4 1932

FILED

THIS COPY FOR STATE DEPARTMENT

(CONFIRMATION to addressee. When indicated, Communication Office will mail this copy)

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

1-138  
PREPARING OFFICE  
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OR

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TELEGRAM SENT

Department of State

Washington,

February 2, 1932.

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

AMERICAN CONSUL,

NANKING (China). FEB 2 32

CONFIDENTIAL. for your information.

The International News Service is showing a news  
despatch from Tokyo stating that QUOTE Yoshizawa says  
he is replying to these proposals on Thursday but that  
as condition to acceptance by Japan, Japan wants the  
Chinese forces to withdraw to a point thirty miles  
outside of Greater Shanghai UNQUOTE.

*this item. 1/12/32*  
The Department can assume no responsibility for  
~~it but wish that you be informed so that, if it is~~  
~~confirmed, you will see that there is fair ground for~~  
~~optimism with regard to ultimate success of effort to~~  
~~bring hostilities to an end and bring about beginning~~  
~~of negotiations~~

793.94/39026

Stimson

SKH

FE:SKH/ZMF

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Enciphered by .....

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-138



The President:

The undersigned, the Secretary of State, to whom was referred Senate Resolution 87, of December 17, 1931, reading as follows:

RESOLVED, That the Secretary of State be, and he is hereby, requested to transmit to the Senate the notes, correspondence, and communications from the Government of the United States to the Government of China, Japan, and/or any other nation relating to the present existing conditions in Manchuria, and the controversy between China and Japan, which has resulted in armed encounters in Manchuria; and particularly any messages, notes, or communications from the United States Government to either the Governments of Japan or China referring to the treaty entered into at the city of Washington on the 6th day of February, 1922, by the United States, Belgium, British Empire, China, France, Italy, Japan, the Netherlands, and Portugal, known as the Nine-Power Treaty, and referring to the treaty entered into by Japan and China, the United States and other nations, and commonly known as the Kellogg pact; and also the notes, messages, letters, and communications

793.94/3902H

See 793.94/3569a

-2-

communications sent or transmitted by the Government of the United States to the League of Nations or any individual or committee representing the League of Nations relating to the said conditions in Manchuria, and the said Chinese and Japanese controversy; or sent or transmitted to any individual or individuals representing the Government of the United States in said matters acting with, or in conjunction with the League of Nations or the Council of the League of Nations, or any individual or committee representing the League of Nations or the Council of the League of Nations,

has the honor to inform the President that there are attached hereto, with a view to their transmission to the Senate should the President's judgment approve thereof, copies of documents as follows:

A. The written communications, whether formal or informal, including memoranda, which have passed between the Government of the United States and the Governments of China and Japan since September 18, 1931, relating to the controversy between China and Japan in Manchuria since that date.

B. The written communications, whether formal or informal, including memoranda, which have been sent or have passed between the Government of the United States

or

-3-

or its representatives and the League of Nations or representatives of the League in reference to the said controversy between China and Japan in Manchuria.

There are also included copies of various other documents transmitted to the Government of the United States for its information by the Council of the League of Nations, such as resolutions adopted by the Council of the League and certain of the more formal communications which have passed between the Council of the League and the Chinese and the Japanese Governments. The latter documents have been selected on the basis of their pertinent relationship to documents accounted for in paragraphs A and B above. A complete set of the communications which have passed between the Council of the League and the Chinese and the Japanese Governments or their representatives, many of which in addition to the ones furnished herewith were transmitted to this Government for its information, may be found in the League of Nations documents which have already been published.

The documents transmitted herewith have been arranged

in

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

-4-

in chronological order and there have been inserted at intervals brief statements of the events, to facilitate an understanding of the documents.

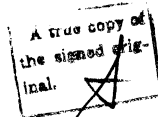
Respectfully submitted,

HENRY L. STIMSON

Enclosure:  
Folder of Documents.

Department of State,

Washington, January 26 1982.



SA:ATK:VGN

FE  
SKH

103  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

TO THE SENATE OF THE UNITED STATES:

In response to Senate Resolution 87 of December 17,  
1931, I transmit herewith a report by the Secretary of  
State, enclosing copies of documents referred to therein.

72. 793. 74 / 3902 H

THE WHITE HOUSE,

SA:ATK:VGN

Jan. 26 1932  
FE  
SKH

On the night of September 18, 1931, there apparently was an explosion on the track of the main line of the South Manchuria Railway at a point not far north of Mukden. Very shortly thereafter an armed clash occurred between Japanese and Chinese troops at or near that point. This conflict was followed the same night by an attack by Japanese troops on the nearby Chinese barracks. After capturing these barracks the Japanese military forces attacked and occupied the Chinese city of Mukden and disarmed or dispersed the Chinese soldiers in and about the city. During the same night and the following day Japanese troops completed a military occupation of all the other important cities along or adjacent to the South Manchuria Railway. Within the next few days additional cities were occupied, which were situated on Chinese lines extending both east and west of the South Manchuria system.

When news of these events in Manchuria reached Geneva, the League of Nations was in session, and on September 21, 1931, China appealed to the Council of the League under Article 11 of the Covenant of the League, and the Council undertook measures of conciliation between China and Japan.

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

NOTE OF THE CHINESE GOVERNMENT TO LEAGUE OF NATIONS

September 21, 1931.

"I am instructed by the National Government of China to bring to your attention the facts stated below and to request that in virtue of Article 11 of the covenant of the League of Nations you forthwith summon a meeting of the Council of the League in order that it may take such action as it may deem wise and effectual so that the peace of nations may be safeguarded.

"Through statements made to it at its meeting on September 19 by the representatives of China and Japan, the Council was advised of the fact that a serious situation had been created in Manchuria. In his statement at that meeting the representative of China declared that the information which he then had indicated that the situation had been created through no fault upon the part of the Chinese. Since September 19 the undersigned has received from his government information which discloses a situation of greater gravity than had appeared by the first report and which revealed that beginning from ten o'clock of the night of September 18th regular troops of Japanese soldiers without provocation of any kind opened rifle and artillery fire upon Chinese soldiers at or near the City of Mukden, bombarded the arsenal and barracks of the Chinese soldiers, set fire to the ammunition depot, disarmed the Chinese troops in Changchun, Kwangchengtse and other places, and later took military occupation of the cities

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

- 2 -

cities of Mukden and Antung and other places and of public buildings therein, and are now in such occupation. Lines of communication have also been seized by Japanese troops.

"To these acts of violence the Chinese soldiers and populace acting under instructions from the Chinese Government have made no resistance and have refrained from conduct which might in any way aggravate the situation.

"In view of the foregoing facts the Republic of China, a member of the League of Nations, asserts that a situation has arisen which calls for action under the terms of Article 11 of the covenant. I am therefore instructed by my government to request that, in pursuance of authority given to it by Article 11 of the covenant, the Council take immediate steps; to prevent the further development of a situation endangering the peace of nations; to reestablish the status quo ante; and to determine the amounts and character of such reparations as may be found due to the Republic of China.

"I will add that the Government of China is fully prepared to act in conformity with whatever recommendations it may receive from the Council, and to abide by whatever decisions the League of Nations may adopt in the premises."



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

**NOTE OF THE CHINESE GOVERNMENT TO THE AMERICAN GOVERNMENT.**

September 21, 1931.

I have the honor to inform you that I am instructed by my Government to bring to your attention the occupation of Chinese territory by Japanese troops in Manchuria.

Japanese troops near Shenyang (Mukden), without the slightest provocation, opened an attack on the Chinese barracks on September 18, at 10 P.M. and continued bombarding the Chinese camps and arsenal, killing a large number of Chinese people in spite of the complete non-resistance of the Chinese troops. The whole city of Shenyang and its vicinity were occupied by Japanese troops by September 19, at 8:30 A.M. The occupation of Antung is already confirmed, and possibly other places also are now under Japanese military control.

As the United States, China and Japan are all signatory powers of the Kellogg Pact, and as the United States is the sponsor of the sacred engagements contained in this Treaty, the American Government must be deeply interested in this case of unprovoked and unwarranted attack and subsequent occupation of Chinese cities by Japanese troops, which constitutes a deliberate violation of the Pact. The Chinese Government urgently appeals to the American Government to take such steps as will insure the preservation of peace in the Far East and the upholding of the principle of peaceful settlement of international disputes.

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

**IDENTIC TELEGRAMS TO THE GOVERNMENTS OF CHINA AND JAPAN  
 FROM THE PRESIDENT OF THE COUNCIL OF THE LEAGUE OF NATIONS.**

(The Council delivered a copy of this telegram to the American Consul at Geneva with the request that it be forwarded to the American Government.)

September 22, 1931.

"I have the honour to inform you that at its meeting to-day devoted to the Chinese Government's appeal under Article 11 of the Covenant in connection with the situation in Manchuria, the Council of the League of Nations unanimously authorized me: (1) to address an urgent appeal to the Governments of China and Japan to refrain from any act which might aggravate the situation or prejudice the peaceful settlement of the problem; (2) to endeavour in consultation with the Chinese and Japanese representatives to find adequate means of enabling the two countries to withdraw their troops forthwith without the safety of their nationals and their property being endangered; (3) the Council further decided to forward the minutes of all the meetings of the Council and documents relating to this question to the Government of the United States of America for its information. I am firmly convinced that in response to the appeal which the Council has authorized me to make to you your Government will take all possible steps to prevent the commission of any act which might aggravate the situation or prejudice the peaceful settlement of the problem. I am about to begin the consultations contemplated with the Japanese and Chinese representatives with a view to the execution of paragraph (2). For these consultations I have obtained the assistance of the representatives of Germany, Great Britain, France and Italy. The decision referred to under (3) has been carried out."

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

MEMORANDUM  
HANDED TO JAPANESE AMBASSADOR BY SECRETARY OF STATE  
SEPTEMBER 22, 1931.

Without going into the background, either as to the immediate provocation or remote causes or motivation, it appears that there has developed within the past four days a situation in Manchuria which I find surprising and view with concern. Japanese military forces, with some opposition at some points by Chinese military forces, have occupied the principal strategic points in South Manchuria, including the principal administrative center, together with some at least of the public utilities. It appears that the highest Chinese authority ordered the Chinese military not to resist, and that, when news of the situation reached Tokyo, but after most of the acts of occupation had been consummated, the Japanese Government ordered cessation of military activities on the part of the Japanese forces. Nevertheless, it appears some military movements have been continuously and are even now in process. The actual situation is that an arm of the Japanese Government is in complete control of South Manchuria.

The League of Nations has given evidence of its concern. The Chinese Government has in various ways invoked action on the part of foreign governments, citing its reliance upon treaty obligations and inviting special reference to the Kellogg pact.

This situation is of concern, morally, legally and politically to a considerable number of nations. It is not exclusively a matter of concern to Japan and China. It brings into question at once the meaning of certain provisions of agreements, such as the Nine Powers Treaty of February 6, 1922, and the Kellogg-Briand Pact.

The

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

-2-

Japanese forces in Manchuria and similar actions have aggravated the situation and would lead to further fighting and loss of life. Japan should be held responsible for whatever consequences that may unfortunately happen as a result of China's necessary measures for self-defense.

Aside from a protest duly lodged with the Japanese Government the Chinese Government wishes to call the attention of the United States Government to the above-mentioned facts and hopes that the United States Government will immediately take effective measures to prevent the aggravation of the present serious situation.

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

On January 3, the Japanese troops marched into  
Chinchow, the Chinese troops theretofore occupying this  
area having moved on to the South of the Great Wall.

IDENTIC NOTE SENT BY THE AMERICAN GOVERNMENT  
TO THE GOVERNMENTS OF CHINA AND JAPAN.

January 7, 1932.

With the recent military operations about Chinchow, the last remaining administrative authority of the Government of the Chinese Republic in South Manchuria, as it existed prior to September 18th, 1931, has been destroyed. The American Government continues confident that the work of the neutral commission recently authorized by the Council of the League of Nations will facilitate an ultimate solution of the difficulties now existing between China and Japan. But in view of the present situation and of its own rights and obligations therein, the American Government deems it to be its duty to notify both the Government of the Chinese Republic and the Imperial Japanese Government that it cannot admit the legality of any situation de facto nor does it intend to recognize any treaty or agreement entered into between those Governments, or agents thereof, which may impair the treaty rights of the United States or its citizens in China, including those which relate to the sovereignty, the independence, or the territorial and administrative integrity of the Republic of China, or to the international policy relative to China, commonly known as the open door policy; and that it does not intend to recognize any situation, treaty or agreement which may be brought about by means contrary to the covenants and obligations of the Pact of Paris of August 27, 1928, to which Treaty both China and Japan, as well as the United States, are parties.

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

**NOTE OF THE CHINESE GOVERNMENT OF JANUARY 13  
 1932, IN REPLY TO THE AMERICAN GOVERNMENT'S  
 NOTE OF JANUARY 8, 1932.**

The Department of State has received from the  
 Chinese Legation in Washington the following text:

"I have the honor to acknowledge the receipt of Your  
 Excellency's note dated January 8, 1932, stating that,

'With the recent military operations about  
 Chinchow the last remaining administrative  
 authority of the Government of the Chinese Re-  
 public in South Manchuria, as it existed prior  
 to September 18th, 1931, has been destroyed.  
 The American Government continues confident that  
 the work of the neutral commission recently author-  
 ized by the Council of the League of Nations will  
 facilitate an ultimate solution of the difficulties  
 now existing between China and Japan. But in view  
 of the present situation and of its own rights and  
 obligations therein, the American Government deems  
 it to be its duty to notify both the Imperial  
 Japanese Government and the Government of the  
 Chinese Republic that it cannot admit the legality  
 of any situation de facto nor does it intend to  
 recognize any treaty or agreement entered into be-  
 tween those Governments, or agents thereof, which  
 may impair the treaty rights of the United States  
 or its citizens in China, including those which re-  
 late to the sovereignty, the independence, or the  
 territorial and administrative integrity of the  
 Republic of China, or to the international policy  
 relative to China, commonly known as the open door  
 policy; and that it does not intend to recognize  
 any situation, treaty or agreement which may be  
 brought about by means contrary to the covenants  
 and obligations of the Pact of Paris of August 27,  
 1928, to which Treaty both China and Japan, as  
 well as the United States, are parties.'

"It is amply evident that the American Government takes  
 the most serious view of the lawless acts of the Japanese  
 military forces in the 3 Eastern Provinces and that it up-  
 holds also the dignity of the international covenants and  
 of the pact against war. The Chinese Government from the  
 time that the present events in the Northeast began on

September 18,

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September 18, 1931, and up to the present day, has in every respect fulfilled its duties as prescribed in the pact against war, and the Chinese Government therefore has taken no steps of any nature whatever calculated to aggravate the situation, but has, in accordance with the procedures set forth in the existing international covenants, asked that Signatory Powers direct their special attention to these events. The Japanese military forces, on the contrary, following the adoption of the Resolution of the League of Nations on September 30, 1931, and the meeting of the Council on October 24, 1931, have still continuously extended the field of their invasion, and even after the passing of the League's Resolution on December 10, 1931, have openly invaded and seized Chinchow, the seat of the Chinese local government. More recently Japan has occupied Suichung and advanced to Shanhaikwan, and has increased the numbers of the Japanese vessels and troops, at Chinwangtao, Tientsin and other places. In addition to this, there are indications of the intention to attack Jehol.

"These violations of the Covenant of the League of Nations, the Nine Power Treaty and the Pact against War, and this disregard of the repeated decisions of the League are facts which it has not been possible to conceal. The Japanese Government therefore must bear full responsibility for all the events involved.

"With reference to the notification of Your Excellency's Government that in this matter it does not recognize as legal any situation de facto, I have the honor to state that the Chinese Government has repeatedly lodged with  
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the Japanese Government gravest protests against the various invasions and lawless acts perpetrated by the Japanese troops since September 18, 1931, and has made it known internationally that the Chinese Government accords them no recognition whatsoever.

"With regard to the treaties or agreements referred to in the note under reply, I have the honor to state that the Chinese Government, basing its position on its sovereignty and independence and on the principle of territorial and administrative integrity, has absolutely no intention of concluding any treaties or agreements of the categories described.

"It is the sincere hope of the Chinese Government that Your Excellency's Government will continue to promote the effectiveness of the international covenants in order that their dignity may be conserved.

"I have the honor to bring the above to the attention of Your Excellency and express the hope that you will transmit it to Your Excellency's Government for its information and action.

Eugene Chen."

**NOTE OF THE JAPANESE GOVERNMENT OF JANUARY 16,  
1932, IN REPLY TO THE AMERICAN GOVERNMENT'S NOTE  
OF JANUARY 8, 1932.**

"I have the honor to acknowledge the receipt of Your Excellency's note dated the eighth January, which has had the most careful attention of this Government.

"The Government of Japan were well aware that the Government of the United States could always be relied on to do everything in their power to support Japan's efforts to secure the full and complete fulfillment in every detail of the Treaties of Washington and the Kellogg Treaty for the Outlawry of War. They are glad to receive this additional assurance of the fact.

"As regards the question which Your Excellency specifically mentions of the policy of the so-called 'open door', the Japanese Government, as has so often been stated, regard that policy as a cardinal feature of the politics of the Far East, and only regrets that its effectiveness is so seriously diminished by the unsettled conditions which prevail throughout China. In so far as they can secure it, the policy of the open door will always be maintained in Manchuria, as in China proper.

"They take note of the statement by the Government of the United States that the latter cannot admit the legality of matters which might impair the treaty rights of the United States or its citizens or which might be brought about by means contrary to the Treaty of 27 August 1928. It might be the subject of an academic doubt, whether in a given case the impropriety of means necessarily and always avoids the ends secured, but as Japan has no intention

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of adopting improper" means, that question does not practically arise.

"It may be added that the treaties which relate to China must necessarily be applied with due regard to the state of affairs from time to time prevailing in that country, and that the present unsettled and distracted state of China is not what was in the contemplation of the high contracting parties at the time of the Treaty of Washington. It was certainly not satisfactory then; but it did not display that disunion and those antagonisms which it does today. This cannot affect the binding character of the stipulations of treaties; but it may in material respects modify their application, since they must necessarily be applied with reference to the state of facts as they exist.

"My Government desires further to point out that any replacement which has occurred in the personnel of the administration of Manchuria has been the necessary act of the local population. Even in cases of hostile occupation - which this was not - it is customary for the local officials to remain in the exercise of their functions. In the present case they for the most part fled or resigned; it was their own behaviour which was calculated to destroy the working of the apparatus of government. The Japanese Government cannot think that the Chinese people, unlike all others, are destitute of the power of self determination and of organizing themselves in order to secure civilized conditions when deserted by the existing officials.

While it need not be repeated that Japan entertains in Manchuria no territorial aims or ambitions, yet, as Your

Excellency

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The American Government is confident that it has not been the intention of the Japanese Government to create or to be a party to the creation of a situation which brings the applicability of treaty provisions into consideration. The American Government does not wish to be hasty in formulating its conclusions or in taking a position. However, the American Government feels that a very unfortunate situation exists, which no doubt is embarrassing to the Japanese Government. It would seem that the responsibility for determining the course of events with regard to the liquidating of this situation rests largely upon Japan, for the simple reason that Japanese armed forces have seized and are exercising de facto control in South Manchuria.

It is alleged by the Chinese, and the allegation has the support of circumstantial evidence, that lines of communication outward from Manchuria have been cut or interfered with. If this is true, it is unfortunate.

It is the hope of the American Government that the orders which it understands have been given both by the Japanese and the Chinese Governments to their military forces to refrain from hostilities and further movements will be respected and that there will be no further application of force. It is also the hope of the American Government that the Japanese and the Chinese Governments will find it possible speedily to demonstrate to the world that neither has any intention to take advantage, in furtherance of its own peculiar interests, of the situation which has been brought about in connection with and in consequence of this use of force.

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What has occurred has already shaken the confidence of the public with regard to the stability of conditions in Manchuria, and it is believed that the crystallizing of a situation suggesting the necessity for an indefinite continuance of military occupation would further undermine that confidence.

**NOTE OF THE AMERICAN GOVERNMENT TO THE COUNCIL  
OF THE LEAGUE**

September 23, 1931.

"I have received from the American Minister at Berne the copy of the resolution of the Council of the League of Nations which you transmitted to him.

"I have noted the two parts of this resolution and the fact that they have been embodied in a note which you have addressed to the Governments of Japan and China.

"I assure you that the Government of the United States is in whole-hearted sympathy with the attitude of the League of Nations as expressed in the Council's Resolution and will dispatch to Japan and China notes along similar lines.

"I have already urged cessation of hostilities and a withdrawal from the present situation of danger and will continue earnestly to work for the restoration of peace."

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

**REPLY OF THE CHINESE GOVERNMENT TO THE COUNCIL'S  
TELEGRAM OF SEPTEMBER 23, 1931.**

September 23, 1931.

I have the honour to acknowledge the receipt of your telegram conveying to me the decision reached by the Council of the League of Nations at its yesterday's meeting regarding the appeal of the Chinese Government to deal with the situation in China created by the action of Japanese troops. In accordance with the Covenant of the League while expressing the appreciation of the Chinese Government of the prompt response thus made by the Council, I am confident that the decision you have communicated to me is only first and preliminary step leading to the definite settlement of the question and that no time will be lost in the question and that no time will be lost in the adoption of measures for giving complete satisfaction to the aggrieved party.

In regard to first point, the Chinese Government declares that it welcomes and fully accepts the recommendations of the Council to abstain from any action liable to aggravate the situation or prejudice the pacific settlement of the question. In the face of every provocation the Government has taken all possible precautions to this end. It will suffice to quote a passage from the proclamation issued to the Chinese nation by the President of National Government: "As we have entrusted our case to the League the National Army has received the strictest orders to avoid all possibility of clash with the invaders. We exhort the entire nation to maintain dignified calm."

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As regards the second point, the Chinese Government specially welcomes the decision of the Council to the effect that the troops on both sides should return immediately to their original positions. No measures contrary to the letter or spirit of this decision have been taken by China, nor have any movements of troops taken place save those necessitated by the firm decision of the Government to offer no resistance to the aggressive movements of the Japanese troops. The Chinese Government is gratified to learn that Your Excellency is, on behalf of the Council, guiding the search for the most effective means of ensuring the immediate withdrawal of the Japanese troops. I earnestly request most prompt action in this regard as the situation is growing in gravity with every hour and the effective application of the Council's decision brooks absolutely no delay.

The Chinese Government will assume full responsibility for the protection of life and property as soon as we regain control of the areas evacuated by the Japanese troops.

The Chinese Government notes with satisfaction the third and last paragraph of the Council's decision which authorises you to forward the minutes of the meetings of the Council and all documents concerning this affair to the United States of America.

Chengting Wang, Minister of Foreign Affairs of the National Government of the Republic of China, September 23rd.



REPLY OF THE COUNCIL OF THE LEAGUE  
TO THE NOTE OF THE AMERICAN GOVERN-  
MENT OF SEPTEMBER 23, 1931.

September 24, 1931.

"The Council of the League of Nations has requested me to express to the Secretary of State its appreciation of the friendly answer which he was good enough to make in regard to the situation which has unhappily arisen between two highly respected Members of the family of nations, China and Japan. The Council is gratified to note that the Government of the United States is in whole-hearted sympathy with the attitude of the League of Nations as expressed in the Council resolution, and that it will despatch to Japan and China, in addition to previous communications, notes on lines similar to those followed by the Council.

"The Council has no preconceived method for solving the difficulties which have arisen; no procedure or formula to which it is irrevocably bound other than its obligation to 'take any action that may be deemed wise and effectual to safeguard the peace of nations'.

"To this end, the Council will gladly continue to keep the Government of the United States informed of any action it may take or any information it may secure, and ventures to hope that that Government will also be disposed to communicate with it. The Council feels confident that, irrespective of any individual effort which any Government may deem it desirable to make, it is by the continuance of common endeavour that a successful result is most likely to be achieved. The efforts which are now being made here will be continued by the Council in such form as circumstances may require."

**REPLY OF THE JAPANESE GOVERNMENT  
TO THE COUNCIL'S TELEGRAM OF  
SEPTEMBER 22, 1931.**

September 24, 1931.

"Acting on instructions received from my Government, I have the honour to acquaint Your Excellency with the reply of my Government to the telegram of September 22nd which Your Excellency was good enough to forward to it.

"1. As regards the first point mentioned in the message, the Japanese troops, since the beginning of the present events, have been careful to act only within the limits necessary to ensure their own safety, the protection of the Railway and the safety of Japanese nationals. The Japanese Government has firmly pursued the object of preventing an extension of the incident and the aggravation of the situation; it is profoundly desirous of ensuring the peaceful settlement of this problem as rapidly as possible by negotiations between the two countries, and it has the firm intention not to depart from this line of conduct.

"2. As regards the second point in the message, the Japanese Government desires to state that it has withdrawn the greater part of its forces to the Railway zone and that they are concentrated there. Outside that zone, only a few troops are, as a precautionary measure, quartered in the town of Mukden and at Kirin, and a small number of soldiers have been placed at certain points, these measures not constituting any military occupation.

"The

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"The Japanese forces are being withdrawn to the fullest extent which is at present allowed by the maintenance of the safety of Japanese nationals and the protection of the Railway. The Japanese Government, which intends to withdraw its troops to the Railway zone in proportion as the situation improves, feels confident that the Council will, in this matter, trust the sincerity of its attitude."

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

**TEXT OF IDENTIC NOTES FROM THE AMERICAN GOVERNMENT  
TO THE CHINESE AND JAPANESE GOVERNMENTS.**

September 24, 1931.

"The Government and people of the United States have observed with regret and with great concern events of the past few days in Manchuria. In view of the sincere desire of the people of this country that principles and methods of peace shall prevail in international relations, and of the existence of treaties, to several of which the United States is a party, the provisions of which are intended to regulate the adjustment of controversies between nations without resort to use of force, the American Government feels warranted in expressing to the Chinese and the Japanese Governments its hope that they will cause their military forces to refrain from any further hostilities, will so dispose respectively of their armed forces as to satisfy the requirements of international law and international agreements, and will refrain from activities which may prejudice the attainment by amicable methods of an adjustment of their differences."

**OFFICIAL STATEMENT OF THE JAPANESE GOVERNMENT  
CONCERNING MANCHURIA, ISSUED AFTER AN EXTRA-  
ORDINARY CABINET MEETING AT TOKYO ON SEPTEMBER 24.**  
(Brought to the attention of the Department of  
State by the Japanese Ambassador).

(1) The Japanese Government has constantly been exercising honest endeavors in pursuance of its settled policy to foster friendly relations between Japan and China and to promote the common prosperity and well-being of the two countries. Unfortunately, the conduct of officials and individuals of China, for some years past, has been such that our national sentiment has frequently been irritated. In particular, unpleasant incidents have taken place one after another in regions of Manchuria and Mongolia in which Japan is interested in especial degree until an impression has gained strength in the minds of the Japanese people that Japan's fair and friendly attitude is not being reciprocated by China in like spirit. Amidst an atmosphere of perturbation and anxiety thus created a detachment of Chinese troops destroyed tracks of the South Manchurian Railway in the vicinity of Mukden and attacked our railway guards at midnight of September 18th. A clash between Japanese and Chinese troops then took place.

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(2) The situation became critical as the number of Japanese guards stationed along the entire railway did not then exceed ten thousand four hundred while there were in juxtaposition some two hundred twenty thousand Chinese soldiers. Moreover, hundreds of thousands of Japanese residents were placed in jeopardy. In order to forestall imminent disaster the Japanese army had to act swiftly. The Chinese soldiers, garrisoned in neighboring localities, were disarmed and the duty of maintaining peace and order was left in the hands of the local Chinese organizations under the supervision of the Japanese troops.

(3) These measures having been taken, our soldiers were mostly withdrawn within the railway zone. There still remain some detachments in Mukden and Kirin and small number of men in a few other places. But nowhere does a state of military occupation as such exist. Reports that Japanese authorities have seized customs or salt gabelle office at Yingkou or that they have taken control of Chinese railways between Supingkai and Chengchiatun or between Mukden and Sinmintun are entirely untrue, nor has the story of our troops having ever been sent north of Changchun or into Chientao any foundation in fact.

(4) The Japanese Government at a special cabinet meeting September 19th took decision that

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all possible efforts should be made to prevent aggravation of the situation and instructions to that effect were given to the commander of the Manchurian garrison. It is true that a detachment was despatched from Changohun to Kirin September 21st, but it was not with a view to military occupation but only for the purpose of removing the menace to the South Manchuria Railway on flank. As soon as that object has been attained the bulk of our detachment will be withdrawn. It may be added that while a mixed brigade of four thousand men was sent from Korea to join the Manchurian garrison the total number of men in the garrison at present still remains within the limit set by the treaty and that fact cannot therefore be regarded as having in any way added to the seriousness of the international situation.

(5) It may be superfluous to repeat that the Japanese Government harbors no territorial designs in Manchuria. What we desire is that Japanese subjects shall be enabled to safely engage in various peaceful pursuits and be given an opportunity for participating in the development of that land by means of capital and labor. It is the proper duty of a government to protect the rights and interests legitimately enjoyed by the nation or individuals. The endeavors of the Japanese Government to guard the South Manchurian Railway against wanton attacks would be viewed in

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no other light. The Japanese Government, true to established policy, is prepared to cooperate with the Chinese Government in order to prevent the present incident from developing into a disastrous situation between the two countries and to work out such constructive plans as will once for all eradicate causes for future friction. The Japanese Government would be more than gratified if the present difficulty could be brought to a solution which will give a new turn to mutual relations of the two countries.



**REPLY OF THE CHINESE GOVERNMENT TO THE NOTE OF  
THE AMERICAN GOVERNMENT OF SEPTEMBER 24, 1931.**

September 27, 1931.

"The Chinese Government received yesterday afternoon the communication from the American Government regarding the present situation in China, transmitted from Peiping by the American Minister to China.

"The Chinese Government and people are gratified to learn that the Government and people of the United States, feeling themselves much interested in the situation created in China by the action of Japanese troops, desire that principles and methods of peace, instead of armed force, should be used in the relations between China and Japan, as between any other civilized states. It is the conviction of the Chinese and Japanese Governments, that the American Government has been prompted by the earnest desire to uphold, as one of the signatory powers, the sanctity of those international treaties, particularly the Treaty for the Renunciation of War signed at Paris in 1928, which bind the parties not to have recourse to war but to use pacific means in their relations with one another.

"As a result of the aggressive movements of the Japanese troops, our territory has been invaded, our cities and towns have been occupied, and in certain cases ransacked, our public officers and innocent citizens have been injured, insulted and murdered. Even on the very day when the American Government despatched its identic notes to the Chinese and Japanese Governments, advising restraint from further hostilities, Chinese passenger trains carrying refugees on the Peiping-Liaoning (Peking-Mukden)

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(Peking-Mukden) Railway were attacked by bombs and machine gun fire from Japanese military aeroplanes, which resulted in many casualties. This, while the Japanese Government declares that it has taken all measures to prevent the aggravation of the situation and that the troops will be forthwith withdrawn from the occupied areas, and free acts of war are still being committed by the Japanese troops. In spite of such circumstances, the entire Chinese Nation has been exhorted to maintain a dignified calm, in the belief that the delinquent party will render a full account for its wanton acts to all the civilized states, under the principle of the sanctity of international treaties for the maintenance of peace.

"The Chinese Government can conceive no other way to satisfy the requirements of international law and international agreements, when international law and international agreements have already been trampled under foot, than for Japan to withdraw her troops immediately and completely from the occupied areas and to give full redress to the aggrieved party, the Chinese Government and the Chinese people.

"It is the earnest hope of the Chinese Government that most effective means will be promptly taken for maintaining the dignity and inviolability of the international treaties above referred to, so that all efforts heretofore made by the various powers, especially by the United States for the preservation of peace, might not be in vain."

REPLY OF THE JAPANESE GOVERNMENT TO THE NOTE  
OF THE AMERICAN GOVERNMENT OF SEPTEMBER 24, 1931.

September 28, 1931.

"I have the honor to acknowledge receipt of your note of September 25 in which you were so good as to convey to me the views of the American Government on the subject of the actual condition of affairs in Manchuria.

"The Japanese Government is deeply sensible of the friendly concern and the fairness of views with which the American Government has observed the recent course of events in Manchuria. In common with the hope expressed by the American Government, it has already caused the Japanese military forces in Manchuria to refrain from any further acts of hostility, unless their own safety, as well as the security of the South Manchuria Railway and of Japanese lives and property within that railway zone is jeopardized by the aggression of Chinese troops or armed bands. Every care has been, and will continue to be, exercised by the Japanese forces to observe all the requirements of international law and international agreements, and to avoid any action that is calculated to prejudice an amicable settlement of the differences between Japan and China.

"The Japanese Government is confident that by frank and unimpassioned discussions between the two parties in conflict, in the light of their true and lasting interests, an adjustment will be found to set at rest the existing of tension in Manchuria."

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

**RESOLUTION OF COUNCIL OF LEAGUE OF NATIONS OF  
SEPTEMBER 30, 1931, CONCURRED IN BY BOTH CHINESE  
AND JAPANESE REPRESENTATIVES.**

**The Council.**

One. Notes the replies of the Chinese and Japanese Governments to the urgent appeal addressed to them by its President and the steps that have already been taken in response to that appeal;

Two. Recognizes the importance of the Japanese Government's statement that it has no territorial designs in Manchuria;

Three. Notes the Japanese representative's statement that his Government will continue as rapidly as possible the withdrawal of its troops which has already been begun, into the railway zone in proportion as the safety of the lives and property of Japanese nationals is effectively assured and that it hopes to carry out this intention in full as speedily as may be;

Four. Notes the Chinese representative's statement that his Government will assume responsibility for the safety of the lives and property of Japanese nationals outside that zone as the withdrawal of the Japanese troops continues and the Chinese local authorities and police forces are reestablished;

Five. Being convinced that both governments are anxious to avoid taking any action which might disturb the peace and good understanding between the two nations, notes that the Chinese and Japanese representatives have given assurances that their respective governments will

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take all necessary steps to prevent any extension of the scope of the incident or any aggravation of the situation;

Six. Requests both parties to do all in their power to hasten the restoration of normal relations between them and for that purpose to continue and speedily complete the execution of the above mentioned undertakings;

Seven. Requests both parties to furnish the Council at frequent intervals with full information as to the development of the situation;

Eight. Decides, in the absence of any unforeseen occurrence which might render an immediate meeting essential, to meet again at Geneva, on Wednesday, October 14th, 1931, to consider the situation as it then stands;

Nine. Authorizes its President to cancel the meeting of the Council fixed for October 14 should he decide after consulting his colleagues, and more particularly the representatives of the two parties, that in view of such information as he may have received from the parties or from other members of the Council as to the development of the situation, the meeting is no longer necessary.

**TELEGRAM FROM THE ACTING MINISTER OF FOREIGN  
AFFAIRS IN NANKING TO THE AMERICAN MINISTER  
AT PEIPING.**

October 3, 1931.

"The Chinese Government has the honor to inform Your Excellency that in its view events of the next twelve days during which the Japanese Government is expected by the Council of the League of Nations to complete the withdrawal of its troops to the railway zone in terms of the Council's resolution of September thirtieth, will have the most far-reaching consequences for the effective maintenance of peace and the present status on the Chinese in the Far East.

"On its part the Chinese Government has undertaken before the League's Council to assume responsibility for the safety of the lives and property of Japanese nationals outside the railway zone during the process of withdrawal of Japanese troops and the reestablishment of Chinese local authorities and police forces.

"The difficulties of this task are immeasurably increased by the situation created by the Japanese action which has violently disturbed the machinery of central control in Manchuria. Every day brings fresh incidents such as aerial attacks on trains, disarming of isolated Chinese units, imposing of Japanese military authorities on various localities, et cetera.

"Your Excellency is aware that the Council of the League resolved in the absence of any unforeseen occur-

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rences which might render an immediate meeting essential, to convene at Geneva on Wednesday, October 14th in order to consider the situation as it then stands, and that information with regard to the development of the situation is awaited not only from the Chinese and Japanese Governments but also from other members of the Council.

"Under all the circumstances as stated, the Chinese Government has requested the diplomatic representatives in this country of those powers which are members of the Council of the League to send individual representatives to Manchuria to collect information on the progress of evacuation and all relevant circumstances for the information of the Council. In view of the fact that the United States of America is one of the signatories of the Treaty for the Renunciation of War signed at Paris in nineteen twenty eight and is deeply interested as the other powers in the effective maintenance of police in the Far East, I have the honor to request that the United States take immediate steps to be likewise represented and that information collected by your representatives on the movements of Japanese troops in Manchuria be transmitted to your government and the general public by telegraph.

"On its side the Chinese Government will do its utmost to give all facilities to the representatives of Your Excellency in this most important task. The Chinese Government would be grateful if the present request were considered to be of the extreme urgency. General Chang Hsueh-liang has been instructed by the National Government to take all the measures to help your representative

and

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and the Chinese Government will be grateful if Your Excellency would communicate to him the names of your representatives.

"Chinglun Frank W. Lee, Acting Minister for Foreign Affairs, October third."



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

REPLY OF THE AMERICAN MINISTER TO THE TELEGRAM  
FROM THE CHINESE GOVERNMENT OF OCTOBER 3, 1931.

October 5, 1931.

I have the honor to acknowledge the receipt of your telegram of October 3 informing me that the Chinese Government has requested the diplomatic representatives in this country of those powers that are members of the Council of the League to send individual representatives to Manchuria to collect information on the progress of evacuation and all relative circumstances for the information of the Council, and requesting that, in view of the fact that the United States is one of the signatories of the Treaty for the Renunciation of War signed at Paris in 1928, the United States take immediate steps to be likewise represented.

I am instructed, in reply, to state that the American Government has noted with gratification the action, to which the Chinese Government refers, of the Council of the League of Nations, on which Council both the Chinese and the Japanese Governments are represented, as expressed in the Resolution unanimously adopted by the Council on September 30; that it has noted the undertakings therein set forth of the various governments represented and of the Council itself, including the provision for the gathering and supplying of information by the Chinese and the Japanese Governments. With regard to the Chinese Government's request that the American Government send representatives to collect information, the American Government is happy to be able to state that it has already taken steps

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Department of State letter, August 10, 1972  
By Milton O. Quirk NARS Date 12-12-77

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steps to supplement the efforts which have been made by its representatives in the Far East to keep it currently informed with regard to developments in this situation. Among these steps, it has recently issued instructions for the sending of two of its officers on duty at other points in the Far East to South Manchuria, to travel in that region, to observe, and to report to their Government on the facts as they find them; and, on October 3, before receipt of the Chinese Government's request, it had instructed the American Minister to China to inform the Chinese Government of its action in that sense. Its instruction has, as your Excellency knows, been carried out.

The American Government had thus anticipated the Chinese Government's request and it is confident that the Chinese Government will regard this action on its part as another evidence of its desire to make its due contribution in the common effort which is being made to ensure reliance on peaceful methods for the settling of this dispute which is clearly a matter of concern to the whole world.

MEMORANDUM OF THE AMERICAN GOVERNMENT OF OCTOBER 5,  
1931, COMMUNICATED BY THE AMERICAN CONSUL AT GENEVA  
TO THE COUNCIL OF THE LEAGUE.

"I believe that our cooperation in the future handling of this difficult matter should proceed along the course which has been followed ever since the first outbreak of the trouble fortunately found the Assembly and Council of the League of Nations in session. The Council has deliberated long and earnestly on this matter and the Covenant of the League of Nations provides permanent and already tested machinery for handling such issues as between States members of the League. Both the Chinese and Japanese have presented and argued their cases before the Council and the world has been informed through published accounts with regard to the proceedings there. The Council has formulated conclusions and outlined a course of action to be followed by the disputants; and as the said disputants have made commitments to the Council, it is most desirable that the League in no way relax its vigilance and in no way fail to assert all the pressure and authority within its competence towards regulating the action of China and Japan in the premises.

"On its part the American Government acting independently through its diplomatic representatives will endeavor to reinforce what the League does and will make clear that it has a keen interest in the matter and is not oblivious to the obligations which the disputants have assumed to their fellow signatories in the Pact of Paris as well as in the Nine Power Pact should a time arise when it would seem advisable to bring forward those obligations. By this course we avoid any danger of embarrassing the League in the course to which it is now committed."

After the events of September 18th-19th, the administrative and military headquarters of Marshal Chang Hsueh-liang, unable longer to function at Mukden, were set up at Chinchow, more than a hundred miles to the southwest, on the Peiping-Mukden Railway. On October 8th Japanese airplanes dropped bombs upon this unfortified city, especially upon the administrative buildings, and caused the death of a considerable number of civilians. Proclamations dropped from airplanes stated that the attack was directed against Marshal Chang Hsueh-liang's government.

At about the same time the Japanese General Staff at Tokyo issued an information bulletin to foreign military attachés stating that the banditry and atrocities committed by the defeated Chinese troops in Manchuria made it impossible to withdraw the Japanese army to their original stations or even to the contiguous territory.

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IDENTIC TELEGRAM SENT BY LERROUX AS PRESIDENT OF  
THE COUNCIL TO CHINESE AND JAPANESE GOVERNMENTS.

October 9, 1931.

Information received tends to show that incidents are taking place in Manchuria, and elsewhere which cannot but embitter feeling and thus render settlement more difficult. In these circumstances and pending the meeting of the Council, I feel it is my duty as President of the Council, to remind the two parties of the engagements taken before the Council to refrain from any action which would aggravate the situation, and to express the confident hope that steps are being taken on both sides to execute fully the assurances given to the Council and embodied in its resolution of the 30th September.

COMMUNICATION FROM CHINESE GOVERNMENT TO AMERICAN MINISTER  
AT PEIPING.

October 9, 1931.

"His excellency, Nelson Trusler Johnson, American  
Minister, Peiping.

"While the Chinese Government is making every exertion  
to fulfill its undertakings given in its reply to the recent  
note of the American Government and to the communication  
from the President of the Council of the League of Nations  
to protect the Japanese residents and do nothing to  
aggravate the present situation pending its solution  
before the Council of the League of Nations, the Japanese  
militarists committed yesterday another act of war by the  
bombardment by twelve military airplanes of Chinchow, out-  
side the so-called South Manchuria Railway zone, where the  
provincial government had been transferred after the  
occupation of Shenyang. The attack resulted in many  
casualties including one foreign professor as well as  
considerable damage to property and particularly to the  
University Building lodging the temporary provincial  
headquarters.

"As Chinchow is strongly held by the Chinese garri-  
son the situation has become exceedingly grave. The  
Chinese Government has telegraphed to Geneva asking the  
Council of the League of Nations to take urgent measures  
for the conservation of peace and inviting an immediate  
visit to Chinchow from the League's missions for investi-  
gation and report on them for the Council's meeting on

October 14

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October 14 or earlier should the Council so decide. The Chinese Government will be grateful if the American Government should delegate a person or persons to participate in the work of the League's mission and if this request could be treated as one extreme urgency in view of the seriousness of the situation, which the Chinese Government does not wish to disguise. The Chinese Government reposes entire confidence in the support of the American Government. (signed) Chinglun Frank Lee, Acting Minister for Foreign Affairs".

COMMUNICATION SENT BY SECRETARY OF STATE  
FOR TRANSMISSION TO JAPANESE GOVERNMENT

October 10, 1931.

Until recently we have been reassured by the commitments made by the governments both of China and Japan to the League of Nations which were embodied in the Resolution of the 30th of September. Under that Resolution, Japan agreed to continue as rapidly as possible the withdrawal of its troops into the railway zone, while China with Japan's consent agreed to assume responsibility for the safety of lives and property of Japanese nationals outside of that zone. I am, however, much disturbed by later reports, especially of the last forty-eight hours, which indicate that these commitments are not being carried out by either government.

I wish that you would call upon Baron Shidehara at once and, after reading him the above, impress upon him the dangers to all interests in China which we feel will inevitably result unless the pacific policy thus agreed upon is observed and unless both the Japanese and Chinese nations exercise at this time the utmost self-restraint. I am urging this also upon the Japanese Ambassador and the Chinese Chargé here.



COMMUNICATION SENT BY SECRETARY  
OF STATE FOR TRANSMISSION TO  
CHINESE GOVERNMENT

October 10, 1931.

Until recently we have been reassured by the commitments made by the governments both of China and Japan to the League of Nations which were embodied in the Resolution of the 30th of September. Under that Resolution, Japan agreed to continue as rapidly as possible the withdrawal of its troops into the railway zone, while China with Japan's consent agreed to assume responsibility for the safety of lives and property of Japanese nationals outside of that Zone. I am, however, much disturbed by later reports, especially of the last forty-eight hours, which indicate that these commitments are not being carried out by either government.

I wish that you would call upon the Acting Minister of Foreign Affairs at once and, after reading him the above, impress upon him the dangers to all interests in China which we feel will inevitably result unless the pacific policy thus agreed upon is observed and unless both the Japanese and Chinese nations exercise at this time the utmost self restraint. I am urging this also upon the Japanese Ambassador and the Chinese Charge here.

COMMUNICATION SENT BY SECRETARY  
OF STATE FOR TRANSMISSION TO  
CHINESE GOVERNMENT

October 10, 1931.

Until recently we have been reassured by the commitments made by the governments both of China and Japan to the League of Nations which were embodied in the Resolution of the 30th of September. Under that Resolution, Japan agreed to continue as rapidly as possible the withdrawal of its troops into the railway zone, while China with Japan's consent agreed to assume responsibility for the safety of lives and property of Japanese nationals outside of that Zone. I am, however, much disturbed by later reports, especially of the last forty-eight hours, which indicate that these commitments are not being carried out by either government.

I wish that you would call upon the Acting Minister of Foreign Affairs at once and, after reading him the above, impress upon him the dangers to all interests in China which we feel will inevitably result unless the pacific policy thus agreed upon is observed and unless both the Japanese and Chinese nations exercise at this time the utmost self restraint. I am urging this also upon the Japanese Ambassador and the Chinese Chargé here.

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In commenting upon an oral statement from the Japanese Minister of Foreign Affairs regarding the bombing of Chinchow, the Secretary of State requested the American Ambassador at Tokyo to make the following statement and leave a memorandum of it with the Japanese Minister of Foreign Affairs.

MEMORANDUM LEFT WITH JAPANESE FOREIGN MINISTER BY  
AMERICAN AMBASSADOR AT TOKYO AT THE REQUEST OF THE  
SECRETARY OF STATE

October 11, 1931

"The Secretary of State cannot understand how the bombing of Chinchow can be minimized or how it can be said to be of no importance. The explanation given by the Japanese Military authorities seems quite inadequate. Chinchow is more than fifty miles from the Japanese Railway Zone and is situated in territory where the Chinese have an entire right to maintain troops. The Secretary of State is at a loss to see what right Japanese military planes had to fly over the town, thereby provoking attack, and to drop bombs. Casualties among civilians have been asserted by the Chinese to have taken place. Bombing of an unfortified and unwarned town is one of the most extreme of military actions, deprecated even in time of war. The Japanese military authorities are quoted in usually reliable press sources as asserting that this attack on Chinchow was intended to prevent Marshal Chang from establishing his new capital at that place and resuming his authority in Manchuria.

"Both of the foregoing reasons given in explanation of this attack would appear quite at variance with the commitments undertaken by the Japanese Government in respect to the resolution of September 30th of the Council of the League of Nations.

"The Secretary of State is thus constrained to regard the bombing of Chinchow as of very serious importance and he would welcome any further information from the Minister for Foreign Affairs which would throw light on it."

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On October 13th the Council of the League of Nations resumed its sessions and its consideration of the Manchuria situation. M. Briand was elected President of the Council.

October 16, 1931

INVITATION ADDRESSED TO THE SECRETARY OF STATE BY  
THE PRESIDENT OF THE COUNCIL OF THE LEAGUE OF NATIONS,  
HANDED TO THE AMERICAN CONSUL AT GENEVA, Oct. 16, 1931

"I have the honor to inform you that the Council of the League of Nations has approved today the terms of the following proposal which I had the honor to make to it in my capacity as President of the Council.

'In the course of the discussion the opinion has been expressed that the very important question before the Council concerns the fulfillment of obligations arising not only from the Covenant of the League of Nations but also from the Pact of Paris.

'This opinion is certainly well founded since, in accordance with Article 2 of that Pact:

"The high contracting parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means".

'Foremost among the signatories of the Pact of Paris appear the United States of America. The United States were one of the proponents of the Pact, and I may be allowed to recall that I had the honor to be associated with the then Secretary of State of the United States as joint author. In consequence, the United States may be regarded as being especially interested in insuring a settlement of the present dispute by pacific means.

'Moreover the Government of the United States, with which communications regarding the dispute before the Council have already been exchanged, has expressed its whole-hearted sympathy with the attitude of the League of Nations, and has affirmed its desire to reenforce the action of League.

'I feel confident that I shall be meeting the wishes of my colleagues in proposing that we should invite the Government of the United States to be associated with our efforts by sending a representative to sit at the Council table so as to be in a position to express an opinion as to how, either in view of the present situation or of its future

development,

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development, effect can best be given to the provisions of the Pact. By this means also the opportunity will be afforded him of following our deliberations on the problem as a whole.

'I am sure that any action that might be taken under the Pact could not but strengthen the efforts which are now being made by the Council in accordance with the obligations imposed upon it by the Covenant of the League of Nations to effect the peaceful settlement of the problem under discussion'.

"In consequence, I have the honor to address to the Government of the United States the invitation contained in the said proposal.

"Please accept, Mr. Secretary of State, the assurance of my high consideration".

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INSTRUCTIONS SENT BY THE SECRETARY OF STATE TO MR. PRENTISS  
GILBERT, AMERICAN CONSUL AT GENEVA:

You are authorized to participate in the discussions of the Council when they relate to the possible application of the Kellogg-Briand Pact, to which treaty the United States is a party. You are expected to report the result of such discussions to the Department for its determination as to possible action. If you are present at the discussion of any other aspect of the Chinese-Japanese dispute, it must be only as an observer and auditor.



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OCTOBER 16, 1931

TEXT OF THE ACCEPTANCE HANDED TO THE PRESIDENT OF THE COUNCIL BY THE AMERICAN CONSUL AT GENEVA, MR. PRENTISS GILBERT, OCTOBER 16, 1931, IN RESPONSE TO HIS INVITATION ADDRESSED TO THE SECRETARY OF STATE, OCTOBER 16, 1931.

I have the honor to acknowledge the receipt of your communication addressed to the Secretary of State of the United States of America, under date of October 16th, in which you cite a proposal adopted by the Council of the League of Nations. You extend an invitation, in accordance with that proposal, to the Government of the United States to send a representative to sit at the Council table, so that he may be in a position to consider with the Council the relationship between the provisions of the Pact of Paris and the present unfortunate situation in Manchuria, and at the same time to follow the deliberations of the Council with regard to other aspects of the problem with which it is now confronted.

I am directed by the Secretary of State to accept, on behalf of the Government of the United States, this invitation to send a representative, and to inform you that he has designated me to act in that capacity.

I beg Your Excellency to accept the assurance of my highest consideration.

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STATEMENT BY THE AMERICAN CONSUL AT GENEVA AT MEETING  
OF THE COUNCIL OF THE LEAGUE OF NATIONS.

October 16, 1931.

I wish to thank you, Mr. President, for the kind words you have spoken in your own name and in the name of the Council.

May I be permitted first to convey to you, Mr. President, the sentiments of deep admiration and respect which the Government and the people of the United States entertain towards you as the untiring artisan of peace and the co-author of the Pact of Paris. It is, indeed, a happy augury that you should be presiding over the deliberations of this body at this time, and I wish to assure you of our deep gratification at being once more associated with you in the cause of peace.

In this moment of deep international concern, I thank you for your invitation to sit in your deliberations and to participate in your discussions in so far as the Pact of Paris, to which my country is a party, is concerned.

The Government of the United States of America has been following with the closest attention the proceedings before the Council for the settlement of the dispute at present unhappily existing between China and Japan. My Government does not seek to intrude with respect to such measures as you may propose under the Covenant of the League of Nations; and is not in a position to participate with the Members of the Council in the formulation of any action envisaged under that instrument, for the composing of differences existing between two of its Members. It has already conveyed to you its sympathetic appreciation of your efforts, and its wholehearted accord with the objective

you

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you have in view; and it has expressed the hope that the tried machinery of the League may in this case, as on previous occasions, be successful in bringing this dispute to a conclusion satisfactory to both parties. Moreover, acting independently and through diplomatic channels, my Government has already signified its moral support of your efforts in this capacity to bring about a peaceful solution of the unfortunate controversy in Manchuria.

In your deliberations as to the application of the machinery of the Covenant of the League of Nations, I repeat, we can, of course, take no part. But the Pact of Paris, bearing as it does the signature of the President of this meeting together with that of our former Secretary of State as joint proponents, represents to us in America an effective means of marshalling the public opinion of the world behind the use of pacific means only in the solution of controversies between nations. We feel, not only that this public opinion is a most potent force in the domestic affairs of every nation, but that it is of constantly growing import and influence in the mutual relations of the members of the family of nations.

The timely exercise of the power of such opinion may be effective to prevent a breach of international peace of worldwide consequences. We assume that this may be the reason why the consideration of the relationship between the provisions of the Pact of Paris and the present situation has been brought forward in this body; and the purpose which has moved my Government to accept your invitation is that thus we may most easily and effectively take common counsel with you on this subject.

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On October 17th the members of the Council with the exception of the Chinese and the Japanese members, all of whose countries are also signatories of the Kellogg-Briand Pact, decided that their Governments should call the attention of the Chinese and Japanese Governments to the obligations they had undertaken under Article 2 of this Pact. On the same day the Governments of France, Great Britain, Germany, Italy, Spain and Norway sent identic notes, in accordance with their decision, to China and Japan, and the French Government undertook to notify the other signatories of the Pact, including the United States, of the decision of these governments. The notes sent were not made public.

Upon receipt of this notification from the French Government, on October 20th, the American Government sent to the Governments of China and Japan identic notes calling attention to their obligations under the Kellogg-Briand Pact.

THE AMERICAN GOVERNMENT'S NOTE TO  
CHINA AND JAPAN CALLING ATTENTION  
TO THE OBLIGATIONS OF THE KELLOGG-  
BRIAND PACT.

October 20, 1931.

"The Government and people of the United States have observed with concern the events of the last month in Manchuria. When the difference between Japan and China came to a head on September 19th one of the parties to the dispute referred the matter to the League of Nations and since that time the American Government by representations through diplomatic channels, has steadily cooperated with the League in its efforts to secure a peaceful settlement. A threat of war, wherever it may arise, is of profound concern to the whole world and for this reason the American Government, like other Governments, was constrained to call to the attention of both disputants the serious dangers involved in the present situation.

"This Government now desires, as do other signatories of the Treaty for the Renunciation of War, particularly to call to the attention of the Japanese and the Chinese Governments the obligations which they voluntarily assumed when they became parties to that Treaty, especially the obligations of Article II, which reads:

'The High Contracting Parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.'

"The American Government takes this occasion again to express its earnest hope that Japan and China will refrain from any measures which might lead to war and

that

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and that they will find it possible in the near future to agree upon a method for resolving by peaceful means, in accordance with their promises and in keeping with the confident expectations of public opinion throughout the world, the issues over which they are at present in controversy."

REPLY OF THE CHINESE GOVERNMENT TO THE AMERICAN  
GOVERNMENT'S NOTE OF OCTOBER 20, 1931.  
(Handed to the Department of State  
by Mr. Yung Kwai, October 23)

October 22, 1931.

Sir:

I have the honor to inform you that I am instructed  
by my Government to deliver to you the following note:

"The Chinese Government has received from  
the American Government the communication dated  
October 21st, in which the American Government  
calls the attention of the Chinese and Japanese  
Governments to the obligations arising from the  
Treaty for the Renunciation of War and expresses  
the hope that both China and Japan will refrain  
from any measures which might lead to war.

"The Chinese Government and people deeply  
appreciate the renewed expression, on the part  
of the Government and people of the United States,  
of the profound concern with which they have  
observed the development of events in China since  
the 18th of September. The Chinese Government is  
especially gratified to learn that the American  
Government has cooperated with the League of  
Nations in its efforts to secure a peaceful  
settlement

Honorable Henry L. Stimson,

Secretary of State.

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settlement.

"It has been in absolute reliance upon the principles of international law and international agreements, particularly those for the perpetuation of peace among nations, and for pledging respect for the sovereignty, the independence, and the territorial and administrative integrity of states, that the Chinese Government has consistently refrained from employing force to meet the situation created by the occupation of Chinese territory by Japanese troops and other warlike actions of Japan, in the belief that such actions would not be permitted to go unchallenged by the powers which should feel deeply concerned in the matter. Especially faithful to the obligations assumed under the Treaty for the Renunciation of War, the Chinese Government has been seeking, from the very beginning, a just and adequate settlement by pacific means. China has not adopted any measures of war but has appealed to the United States of America as well as the League of Nations under the provisions of existing international agreements.

"It is the sincere desire of the Chinese Government to settle the present crisis by peaceful means under conditions which give a guarantee of fair and equitable treatment for all concerned and to cooperate to the fullest possible extent with the American Government, the sponsor of the  
Treaty



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Treaty for the Renunciation of War, in its  
efforts to uphold the sanctity of international  
engagements."

Accept, Sir, the renewed assurances of my highest  
consideration.

YUNG KWAI

Chargé d'Affaires ad interim.

REPLY OF JAPANESE GOVERNMENT TO  
AMERICAN NOTE OF OCTOBER 20, 1931.

Tokyo, October 24, 1931.

"I have the honor to acknowledge the receipt of your note of October 21 in which, under instructions of your Government, you were so good as to call the attention of the Japanese to the obligations assumed by Japan as a signatory of the Treaty for the Renunciation of War.

"The Japanese Government highly appreciate the sympathetic concern of the American Government in the maintenance of International peace. Their position bearing on the stipulations of the treaty in question is set forth in the accompanying statement. Entertaining the same earnest hope expressed in your communication under review, the Japanese Government remain unshaken in the belief that a method for resolving by pacific means their present difficulties with China will soon be found upon direct negotiations between the two disputants in the spirit of mutual good will and helpfulness".

The accompanying statement is as follows:

"One. The Japanese Government realize as fully as any other signatories of the Pact of Paris of 1928, the responsibility incurred under the provisions of that solemn pact. They have made it clear on various occasions that the Japanese railway guards in taking military measures in Manchuria since the night of September 18 last have been actuated solely by the necessity of defending themselves as well as of protecting the South

Manchuria

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Manchuria Railway and the lives and property of Japanese subjects, against wanton attacks by Chinese troops and armed bands. Nothing is farther from the thoughts of the Japanese Government than to have recourse to war for the solution of their outstanding differences in China.

"Two. It is their settled aim to compose those differences by all pacific means. In the note of the Japanese Minister for Foreign Affairs to the Chinese Minister at Tokyo, dated October 9, the Japanese Government have already declared their readiness to enter into negotiations with the responsible representatives of China for an adjustment of the present difficulties. They still hold the same view. So far as they are concerned, they have no intention whatever of proceeding to any steps that might hamper any efforts intended to assure the pacific settlement of the conflict between Japan and China.

"Three. On the other hand they have repeatedly called the attention of the Chinese Government to the organized hostile agitation against Japan now in progress in various parts of China. The suspension of all commercial intercourse with Japanese at present in China is in no sense a spontaneous act of individual Chinese. It is enforced by anti-Japanese organizations that have taken the law into their own hands, and are heavily penalizing, even with the threat of capital punishment, any Chinese who may be found disobeying their arbitrary decrees. Acts of violence leveled against Japanese residents also continue unabated in many places under the jurisdiction of the Government of Hanking. It will be manifest to all fair observers of

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the actual situation that those activities of the anti-Japanese organizations are acquiesced in by the Chinese Government as a means to attain the national ends of China. The Japanese Government desire to point out that such acquiescence by the Chinese Government in the lawless proceedings of their own nationals cannot be regarded as being in harmony with the letter or the spirit of the stipulations contained in Article Two of the Pact of Paris".

RESOLUTION VOTED UPON OCTOBER 24 BY THE COUNCIL OF THE LEAGUE  
(Thirteen Powers voting in the affirmative; Japan in the negative.)

The Council, in pursuance of the resolution passed on September 30th, and noting that in addition to the invocation by the Government of China, of Article 11 of the Covenant, Article 2 of the Pact of Paris has also been invoked by a number of Governments,

(1) Recalls the undertakings given to the Council by the Governments of China and Japan in that resolution, and in particular the statement of the Japanese Representative that the Japanese Government would continue as rapidly as possible the withdrawal of its troops into the railway zone in proportion as the safety of the lives and property of Japanese nationals is effectively assured, and the statement of the Chinese Representative that his Government will assume the responsibility for the safety of the lives and property of Japanese nationals outside that zone - a pledge which implies the effective protection of Japanese subjects residing in Manchuria;

(2) Recalls further that both Governments have given the assurance that they would refrain from any measures which might aggravate the existing situation, and are therefore bound not to resort to any aggressive policy or action and to take measures to suppress hostile agitation;

(3) Recalls the Japanese statement that Japan has no territorial designs in Manchuria, and notes that this statement is in accordance with the terms of the Covenant of the League of Nations and of the Nine Power Treaty, the signatories of which are pledged "to respect the sovereignty, the independence, and the territorial and administrative integrity of China";

(4) Being

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(4) Being convinced that the fulfilment of these assurances and undertakings is essential for the restoration of normal relations between the two parties:

a) Calls upon the Japanese Government to begin immediately and to proceed progressively with the withdrawal of its troops into the railway zone, so that the total withdrawal may be effected before the date fixed for the next meeting of the Council;

b) Calls upon the Chinese Government, in execution of its general pledge to assume the responsibility for the safety and lives of all Japanese subjects resident in Manchuria, to make such arrangements for taking over the territory thus evacuated as will ensure the safety of the lives and property of Japanese subjects there, and requests the Chinese Government to associate with the Chinese authorities designated for the above purpose representatives of other Powers in order that such representatives may follow the execution of the arrangements;

(5) Recommends that the Chinese and Japanese Governments should immediately appoint representatives to arrange the details of the execution of all points relating to the evacuation and the taking over of the evacuated territory so that they may proceed smoothly and without delay;

(6) Recommends the Chinese and Japanese Governments as soon as the evacuation is completed, to begin direct negotiations on questions outstanding between them, and in particular those arising out of recent incidents as well as those relating to existing difficulties due to the railway situation in Manchuria. For this purpose the Council suggests that the two parties should set up a conciliation committee or some such permanent machinery.

(7) Decides to adjourn till November 16th, at which date it will again examine the situation, but authorises its President to convoke a meeting at any earlier date should it in his opinion be desirable.

October 23, 1931.

JAPANESE COUNTER PROPOSAL FOR COUNCIL RESOLUTION  
COVERING PARAGRAPHS 4, 5, 6, 7 AND 8.

(4) Again notes the statement by the representative of Japan made on October 13th to the effect that the Japanese Government would withdraw those of its troops still remaining in a few localities outside the said zone as the present atmosphere of tension clears and the situation improves, by the achievement of a previous understanding between the Chinese and Japanese Governments as regards the fundamental principles governing normal relations -- that is to say, affording an assurance for the safety of the lives of Japanese nationals and for the protection of their property;

(5) Recommends the Chinese and Japanese Governments to confer together at once with a view to arriving at the understanding mentioned in paragraph 4;

(6) Recommends the Chinese and Japanese Governments to appoint representatives to arrange the details of execution of the evacuation and of taking over the districts evacuated;

(7) Asks the Chinese and Japanese Governments to be so good as to keep the Council informed of the progress of the negotiations between them and the position as regards the execution of the present resolution;

(8) Authorises its President to take, after examination of the above communications, all such measures as he may think necessary to ensure the carrying out of the present

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present resolution, and to convene the Council at any  
time with a view to a fresh examination of the position.



DECLARATION BY JAPANESE GOVERNMENT  
OF OCTOBER 26, COMMUNICATED TO THE  
COUNCIL OF THE LEAGUE OF NATIONS.

1. On the twenty-second of October, the Japanese representative in the Council of the League of Nations proposed certain amendments to the resolution then before the council with regard to questions of (1) withdrawal of Japanese troops to the railway zone and (2) direct negotiations between China and Japan. However, these suggested amendments as well as the resolution itself, fell through, having failed to obtain unanimous approval of the council.

2. As has been repeatedly emphasized by the Japanese government, the whole Manchurian affair was occasioned solely by a violent and provocative attack launched by the Chinese army on the railway zone. Certain small contingents of Japanese soldiers still remaining at a few points outside that zone are insistently demanded by the danger to which a large population of Japanese in that region are exposed in life and property. The presence of such a limited number of troops is quite incapable of being represented as a means of dictating to China Japan's terms for the settlement of the present difficulties. Nothing is farther from the thoughts of Japan than to bring armed pressure to bear upon China in the course of these negotiations.

3. The Japanese government have on various occasions given expression to their firm determination to suffer no abridgement or diminution of the rights and interests of Japan, which are vital to her national existence and which are woven into the complex fabric of her political and economic relations with China. Unfortunately, the  
so-called

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so-called "recovery of rights" movements in China have recently attained extravagant developments, while feelings antagonistic to Japan have been openly encouraged in text books used at various schools in China and have become deeply seated in the Chinese mind. In defiance of treaties and regardless of all history, vigorous agitation has been carried on in China with the object of undermining rights and interests of Japan, even the most vital. As things stand at present, the complete withdrawal of Japanese troops to the South Manchuria Railway zone under the mere assurance of the Chinese government would create an intolerable situation, exposing Japanese subjects to the gravest danger. The risk of such danger is clearly evidenced by past experience and by conditions which actually obtain in China.

4. The Japanese government are persuaded that in the present situation the safety of Japanese subjects in Manchuria can hardly be ensured without provision being made to remove national antipathies and suspicions existing in the mutual relations of the two powers. With this end in view, they have already expressed in the note of the Minister for Foreign Affairs of October 9 to the Chinese Minister at Tokio their readiness to enter into negotiations with the Chinese government on certain basic principles that should regulate normal inter-relationship between the two countries. That note was communicated at the same time to the Council of the League. Convinced that this method of procedure is alone calculated to open out a way to save the situation, the Japanese government have consistently held to their proposals in that sense throughout

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throughout the recent discussions at the Council of the League. The basic principles which they have had in mind relate to--

- (1) Mutual repudiation of aggressive policy and conduct,
- (2) Respect for China's territorial integrity,
- (3) Complete suppression of all organized movements interfering with freedom of trade and stirring up international hatred,
- (4) Effective protection throughout Manchuria of all peaceful pursuits undertaken by Japanese subjects,
- (5) Respect for treaty rights of Japan in Manchuria.

The Japanese Government believes that all these points, being in entire accord with the aims and aspirations of the League of Nations and embodying a natural basis on which peace in the Far East must depend, will commend themselves to the approval of the public opinion of the world. Refusal by the Japanese representative to lay these points on the table of the Council of the League was due to the consideration that in their nature they should properly form the subject of negotiations between the parties directly involved.

5. With the future welfare of both nations in mind the Japanese Government feels urgent need at the present moment to arrive at a solution of the problem by the cooperation of the two countries which would thus seek a path of common happiness and prosperity. Their willingness remains unaltered and unabated to open negotiations  
with

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with Chinese Government, on the subject of the basic principles above formulated, relating to the normal relations between Japan and China and on the subject of the withdrawal of Japanese troops to the railway zone.

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

**NOTE FROM CHINESE REPRESENTATIVE  
ON COUNCIL OF THE LEAGUE TO THE  
PRESIDENT OF THE COUNCIL.  
(Circulated October 27, 1931)**

With reference to the observations on treaty obligations made in the Council this morning by the Honorable Delegate for Great Britain with which I am in hearty agreement, I am authorized by my Government to make the following declaration:

China like every Member of the League of Nations is bound by the Covenant to a "scrupulous respect for all treaty obligations". The Chinese Government for its part is determined loyally to fulfill all its obligations under the Covenant. It is prepared to give proofs of this intention by undertaking to settle all disputes with Japan as to treaty interpretation by arbitration or judicial settlement as provided in Article 13 of the Covenant.

In pursuance of this purpose the Chinese Government is willing to conclude with Japan a treaty of arbitration similar to that recently concluded with the United States and China or to those concluded of recent years in increasing numbers between Members of the League.

NOTE FROM BRIAND AS PRESIDENT OF THE COUNCIL TO JAPANESE  
REPRESENTATIVE ON COUNCIL IN REPLY TO THE JAPANESE  
DECLARATION DATED OCTOBER 26.

October 29, 1931.

As President of the Council of the League of Nations,  
I have examined most carefully the Japanese Government's  
declaration dated October 26, which Your Excellency was  
good enough to communicate by telegram to me and to the  
other members of the Council through the Secretary General.

I feel I must submit to you certain observations on  
this communication.

Since the last meeting of the Council, when the draft  
resolution on which my colleagues had asked me to report  
secured the approval of all the members of the Council  
except the Japanese representative, the position in  
regard to the question submitted to us for consideration  
has become clear. It may be stated as follows:

Independently of the vote taken at the last Council  
meeting, which retains its full moral force, we still  
have before us, from the juridical standpoint, a valid  
resolution, namely, that which was unanimously adopted  
on September 30th, and which retains its full executory  
force.

In that resolution the Council noted the statement  
made by the Japanese representative that the Japanese  
Government "will continue as rapidly as possible the  
withdrawal of its troops which has already been begun,  
into the railway zone in proportion as the safety of  
the lives and property of Japanese nationals is effectively  
assured and that it hopes to carry out this intention

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in full as speedily as may be." No indication whatever was given at that time by the Japanese representative that matters such as an agreement as to the treaty rights of Japan in Manchuria were in any way connected with the safety of the lives and property of Japanese nationals.

It is further to be noted that in the two draft resolutions submitted to the Council on the 24th October the first three paragraphs are exactly the same, Your Excellency having withdrawn the amendment to Paragraph Three which you had submitted. It may therefore be assumed that these paragraphs express the will of the two parties. In their declaration of October 26th the Japanese Government further stated that, when it referred to certain fundamental principles it had in mind the following:

One. Mutual repudiation of aggressive policy and conduct - Paragraph Two of the two drafts submitted on October 24 states that "the two Governments are bound not to resort to any aggressive policy or action."

Two. Respect for China's territorial integrity. Paragraph Three of the two drafts records an undertaking to that effect.

Three. Complete suppression of all organized movements interfering with freedom of trade and stirring up international hatred. Paragraph Two of the two drafts declares that the two Governments "are bound to take measures to suppress hostile agitation."

Four. Effective protection throughout Manchuria in order to allow Japanese nationals to engage there in any peaceful

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peaceful pursuits. Paragraph One of both drafts declares that the Chinese Government are pledged to the effective protection of Japanese subjects residing in Manchuria.

The fact that on the one hand the Chinese representative accepted the terms of the resolution which I proposed on behalf of my colleagues and that on the other hand the counter-draft of the Japanese representative contained the three paragraphs to which I have referred show that the two Governments are in complete agreement on these four points.

There remains only the last point: "Respect for treaty rights of Japan in Manchuria".

With regard to this point I would call Your Excellency's attention to the letter addressed to me by the Chinese representative on the 24th October in which Doctor Sze declares that "China, like every Member of the League of Nations, is bound by the Covenant to a 'scrupulous respect for all treaty obligations'. The Chinese Government for its part is determined loyally to fulfill all its obligations under the Covenant. It is prepared to give proofs of this intention by undertaking to settle all disputes with Japan as to treaty interpretation by arbitration or judicial settlement, as provided in Article 13 of the Covenant."

It therefore appears to me, and I feel sure that my colleagues on the Council, including, I trust, Your Excellency, will agree that the Chinese Government have given to the Council of the League, on which Japan has a permanent Representative, pledges which cover the various fundamental principles raised by the Japanese Government.

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In these circumstances I feel confident that the Japanese Government, being desirous of fulfilling the undertaking which it solemnly contracted under the terms of the resolution of September 30th and which, moreover it repeatedly confirmed by its declarations during the last session of the Council, at the meetings of October 22, 23 and 24, will continue as rapidly as possible the withdrawal of its troops into the railway zone and that it will thus be able to carry out that intention to the full in the shortest possible time.

In view of the extreme importance which your Government attaches to the safety of the lives and property of Japanese nationals in the territories evacuated by its troops, I venture to call Your Excellency's attention to Paragraph Five of the resolution submitted to the Council on October 24, which recommends the two Governments "to appoint immediately representatives to settle the details relating to the carrying out of the evacuation and to the taking over of the evacuated territories, in order that these operations may be carried out in a regular manner and without delay."

MEMORANDUM OF CHINESE GOVERNMENT TO THE COUNCIL  
OF THE LEAGUE IN REPLY TO THE DECLARATION OF THE  
JAPANESE GOVERNMENT OF OCTOBER 26, 1931.

October 31, 1931.

The Chinese Government received on October 28th from the Secretary-General of the League a copy of the Note of the Government of Japan of October 26th to which the Government of China begs to make the following reply.

The note of the Government of Japan of October 26th to Members of the Council repeats the statement that the sole reason why it refuses to withdraw its troops from Chinese soil is the danger that, in its view, would ensue to Japanese subjects and their property in the evacuated areas. As to this, the following observations may be made:

(1) The Chinese delegate's declaration to the Council on October 23rd expressed the view of the Chinese Government that it was the very presence of the Japanese troops in Chinese territory which created the danger of which the Japanese authorities now complain. This declaration was re-inforced by that of M. Briand, President of the Council, when, at the meeting of the Council on October 24th he said: "I think public opinion would find it difficult to admit that military occupation could be assigned to the category of pacific means. I think that military occupation falls outside that class of measures, and therefore the prolongation of that occupation also involves the prolongation of that feeling of uneasiness which has already lasted too long".

During the Washington Conference no less an authority than the then American Secretary of State, Mr. Hughes, supported

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supported the view that military occupation fosters the disorder which is used as a pretext for the continuance of that occupation. Commenting upon the Japanese statement to the Washington Conference that the Japanese Government could not withdraw its troops from Eastern Siberia without endangering the lives and property of its subjects Mr. Hughes said: "The Government of the United States would be untrue to the spirit of co-operation which led it, in the summer of 1918, upon an understanding with the Government of Japan, to dispatch troops to Siberia, if it neglected to point out that, in its view, continued occupation of the strategic centres in Eastern Siberia .... and the establishment of a civil administration, which inevitably lends itself to misconception and antagonism, tends rather to increase than to allay the unrest and disorder in that region". In the same formal statement made in reply to the argument of the Japanese Government with reference to the situation in Eastern Siberia Secretary Hughes said: "It (the United States) has regretted that Japan should deem necessary the occupation of Russian territory as a means of assuring a suitable adjustment with a future Russian Government".

(2) The Resolution presented by the Members of the Council, other than the parties, on October 22nd, and accepted by the Government of China, takes note of the latter's undertaking to safeguard the lives and property of Japanese subjects in the re-occupied areas and invites it to attach neutral representatives to the Chinese authorities charged with the task. The Chinese representative further assured the Council that the Chinese Government "is willing to examine in the most conciliatory spirit, here and now, any proposals for extending the system of neutral officers, or, with

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with the help of the League, of devising any other arrangements on the spot to guarantee the safety of Japanese lives and property in the reoccupied territory, in order to dispel any apprehensions the Japanese Government may entertain as to the danger to its subjects that might result from compliance with the Council's Resolution".

If, indeed, it be true that, as stated in the Japanese note of October 28th, there are only "certain small contingents of Japanese soldiers still remaining at a few points outside the railway zone", the Chinese Government is confident that, with the help of the League, means can be speedily found, as suggested by the representative of China, whereby these contingents of Japanese troops can be rapidly and with safety, withdrawn.

(3) The Chinese Government notes with satisfaction the emphatic denial of the Japanese Government that it has any intention to bring armed pressure to bear in its negotiations with China. But the Chinese Government feels constrained to point out that, if this be the view of the Japanese Government, the only way to give effect to it is to cease to demand, as a condition precedent to the evacuation of its troops, that China should come to an agreement with Japan on basic principles which are to govern the whole of the future relations of the two countries.

The Council's Resolution and undertakings of the Chinese Government before the Council give the amplest guarantees for the safety of the lives and property of Japanese nationals in the areas to be evacuated by the Japanese troops. The giving effect to these guarantees and  
undertakings

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undertakings involves nothing more than local arrangements on the spot which can proceed pari passu with the withdrawal of the Japanese troops, and will require, as M.Briand pointed out in the Council, at the most only a few days. This is a matter entirely distinct from and unconnected with diplomatic negotiations between the Governments of China and Japan.

(4) The Chinese Government shares with the Japanese Government the desire to put an end, once and for all, to the state of tension between the two countries, and ardently desire to place their relations upon a new and better foundation - one that will ensure permanent peace and friendship.

It is the Chinese Government's view that the first step to consummate this end, is compliance with the Council's Resolution. So long as Japanese troops are in illegal occupation of Chinese soil, contrary to the Council's request and in violation of Article Ten of the Covenant, of Article Two of the Pact of Paris, and of Article One of the Nine Power Treaty of Washington, neither good relations nor negotiations between the two countries are possible. The moment this situation is ended, the two countries, as loyal Members of the League can begin to strive, by common agreement, to end its evil effects.

It is the Chinese Government's view that the only way to profit by the lesson taught by the events of the past few weeks, to reap the benefits of the League's intervention, and to prevent a recurrence of controversies which may endanger peace in the Far East, is the establishment, as has been proposed by the Chinese Government, of a Permanent Board of Conciliation and Arbitration for the peaceful

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peaceful and just settlement of such differences as may arise between the two countries.

The Chinese Government repeats that the issue which requires to be met is, as provided in the Council's Resolution, the withdrawal of the Japanese troops which is to begin immediately and to be completed before November 18th.

**TELEGRAM FROM THE AMERICAN MINISTER TO CHINA  
TRANSMITTING WRITTEN REQUEST OF THE CHINESE  
GOVERNMENT.**

Shanghai

November 2, 1931

Secretary of State,

Washington.

November 2, noon.

My October 26, 7 p.m.

FROM NANKING. I received on the eve of my departure from Nanking, a written request from the Acting Minister for Foreign Affairs, dated October 28th, asking the "American Government to designate representatives with whom the Chinese authorities will be pleased to associate in accordance with the terms of the resolution of October 24th of the Council of the League of Nations." The Acting Minister for Foreign Affairs asks me to communicate to him as soon as possible the names of the representatives to be appointed by the United States. I communicated Department's attitude as set forth in the last sentence of Department's 103, October 27, 5 p.m., to Nanking, orally to the Acting Minister for Foreign Affairs.

Repeated to Peiping.

JOHNSON.

NOTE: The last sentence of Department's 103, October 27, 5 p.m., was to the effect that until the American Government should be informed as to the action taken by the members of the League of Nations as to paragraph four of the Resolution of October 24, it preferred to take no action in this matter.

**NOTE OF CHINESE GOVERNMENT TO AMERICAN MINISTER  
TO CHINA.**

**\*Waichiaoapu, Nanking, November 2.**

**"Excellency:** Referring to my note of October 28 in which the Chinese Government invited the American Government to designate representatives to associate with the Chinese authorities in the taking over of places in Manchuria to be evacuated by Japanese troops, I have the honor to inform Your Excellency that the Chinese Government has appointed a commission for the reoccupation of evacuated territories which is composed of the following members: Dr. V. K. Wellington Koo, Chairman, General Chang Tsin Hsiang, Mr. Chang Chun, Mr. Wu Te Chen, Dr. Lo Wen Kan, Mr. Tang Erh Ho, Mr. Lin Chi.

**"The Chinese Government takes this opportunity to request the American Government to expedite the appointment of its representatives who, it is hoped, will speedily proceed to Manchuria and associate with the above mentioned Chinese officials.**

**"I avail myself, et cetera, Signed Ching Lun,  
Frank W. Lee, Acting Minister for Foreign Affairs.**

**"His Excellency Mr. Nelson Trusler Johnson,  
American Minister."**

**NOTE:** There was no written reply to this note. The Department instructed the American Minister to China that he might reply orally to the effect that any action in regard to paragraph four of the Resolution voted upon on October 24 by the Council of the League should properly be taken in the first instance by the Council or Governments members of the League and that until it had been informed specifically as to the action taken by the League members, this Government preferred to reserve decision.



MEMORANDUM DELIVERED TO THE JAPANESE GOVERNMENT  
BY THE AMERICAN AMBASSADOR AT TOKYO PURSUANT  
TO INSTRUCTIONS OF THE SECRETARY OF STATE.

November 5, 1931.

My Government acknowledges the receipt of the Japanese Government's note of October 24, 1931, in reply to its note of October 21, 1931.

My Government notes with satisfaction the reference of the Japanese Government to the Pact of Paris and the assurance that it is the settled aim of the Japanese Government to compose its differences with China by none but pacific means.

My Government notes also the statement that the Japanese railway guards in taking military measures in Manchuria since the night of September 18 last have been actuated solely by the necessity of defending themselves and of protecting the South Manchuria Railway and the lives and property of Japanese subjects against attacks by Chinese troops and armed bandits.

It is clear that the events of the last few weeks affect the rights and interests not only of Japan and China, but of the many nations which have relations with these two countries, and which are associated with both by ties of friendship and of reciprocal advantage as well as by the more formal ties of treaty relationship, and it is because of this that the United States

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States, along with other nations similarly situated, has felt not only free but in duty bound to express its views.

From the information in its possession, my Government cannot escape the conclusion that in the efforts to protect the South Manchuria Railway and the lives and property of Japanese subjects against attack a situation has been created in Manchuria which gives Japan substantial control of Southern Manchuria and has, temporarily, at least, destroyed the administrative integrity of China in this region. On this my Government neither attributes motives nor passes judgment, but desires solely to point out the fact.

It appears to my Government that there are two separate and distinct points to be considered. First, the peaceful solution of the present unfortunate situation in Manchuria, and, second, a solution through direct negotiation of the various matters at issue between Japan and China arising from misunderstanding as to the respective rights of the two nations as claimed under various treaties.

With regard to the first point, my Government cannot escape the conclusion that effective withdrawal of the Japanese troops within the railway lines would destroy the idea, either on the part of China or of outside nations, that Japan intends to use military pressure to bring about a settlement of the broader issues. That it is not the Japanese Government's intention thus to exert pressure has already been clearly indicated in the statement issued by the Japanese Government in Tokyo on October 27. It is further the belief of my Government  
that

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that the second and broader question cannot appropriately be settled until the first has been disposed of. The withdrawal of the troops, as soon as this can be safely accomplished in the present emergency, would inevitably create a more favorable atmosphere in which negotiations may be carried on, and would also constitute an impressive demonstration to the world of Japan's often repeated assertion that it has no territorial ambitions in Manchuria and that it intends strictly to abide by the treaties guaranteeing the administrative integrity of China and providing for the settlement of all controversies solely by pacific means.

It is in the light of the above that my Government has noted with regret and concern that at the meeting of the Council of the League of Nations, the representative of the Japanese Government should have insisted that these broader matters, which would seem to have little direct bearing on the immediate situation, should be discussed and be disposed of by negotiations between Japan and China in advance of the withdrawal of Japanese troops from the points of occupation outside the railway zone.

As to the second point, the settlement of the broader issues involved in the treaty rights, my Government is in complete sympathy with the desire of the Japanese Government to obtain a solution which will be satisfactory to both parties and which, being so, would give promise of permanence. It cannot bring itself to feel, however, that the solution of these broader issues should be made a condition precedent to the solution of the present situation in Manchuria. My Government further takes occasion to state that if negotiation of these

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these broader issues, subsequently undertaken, should not eventuate in a conclusion acceptable to both parties, there exist numerous methods or agencies of arbitral, conciliatory, or judicial settlement, which might be invoked by Japan and by China, including methods or agencies in the creation of which both countries have participated. Recourse to one or another of these might not only facilitate arrival at an equitable settlement but would result in the assurance to both the Japanese and the Chinese Governments that the settlement so arrived at would enlist the approval and support of public opinion throughout the world.

My Government finds confirmation of its views as expressed above in its scrutiny of the position taken by the Council of the League of Nations as expressed in the resolution adopted by the Council on September 30 and in the draft resolution upon which thirteen members of the Council gave affirmative vote on October 24. My Government hopes that the Japanese Government will find it possible to share the view of those nations that negotiations looking to the settlement of longstanding issues between Japan and China ought not be made a condition precedent to the evacuation of the occupied positions and by so doing avail itself of the opportunity presented to refute conclusively any implication that exertion of military pressure was in any way intended to affect the process of arriving at a settlement of the points at issue. My Government confidently hopes that both Japan and China will be guided by the spirit of the resolutions above referred to and will make every possible effort to follow a course consistent therewith.

During October fighting developed south of Tsitsihar between two Chinese Generals, one of whom, Ma Chan-shan, recognized the authority of Marshal Chang Hsueh-liang. In the course of the fighting, the Taonan-Anganchi Railway bridges crossing the Nonni River were destroyed and Japanese troops advanced to protect a party of engineers in making necessary repairs.

A three day battle between the Japanese and Chinese forces took place November 4-6 as a result of which the Japanese occupied territory north of the Nonni River. Later, on November 18th, the Japanese troops attacked and defeated General Ma's forces, crossed the Chinese Eastern Railway and occupied Tsitsihar, the headquarters of General Ma and the capital of the Heilungkiang Province.

TELEGRAM OF PRESIDENT OF THE COUNCIL TO THE CHINESE AND  
JAPANESE GOVERNMENTS.

November 6, 1931.

The extension of incidents towards Northern Manchuria and the serious nature of information supplied regarding those incidents by the Chinese and Japanese Governments cannot but increase the anxiety of the Council and public opinion. As President of the Council I desire to remind you that the Chinese and Japanese representatives have given assurances that their governments will take all necessary steps to avoid aggravating the situation. The Council placed these solemn undertakings on record in its resolution of September 30th. To fulfill those undertakings it now seems to me necessary for the two governments to issue instructions without delay to the officers commanding their forces in order to remove all possibility of sanguinary engagements between Chinese and Japanese troops as any further serious incidents may make it even more difficult for the Council to pursue its efforts for the maintenance of peace and the peaceful settlement of the dispute with which it is called upon to deal.

REPLY OF JAPANESE GOVERNMENT TO NOTE OF THE  
PRESIDENT OF THE COUNCIL OF THE LEAGUE.

November 7, 1931.

I have the honor to acknowledge the receipt of your Excellency's note of October 29, in which you were so good as to make certain observations on the declaration of the Japanese Government of October 26 in connection with the Manchurian incident. Having referred to Tokyo your communication under acknowledgment, I am now charged to assure you that my government have submitted it to their most serious consideration, and that they highly appreciate your sympathetic concern in the present situation in the interest of international peace and good understanding.

2. I am further instructed to express the entire concurrence of my government in your Excellency's remark that the resolution adopted by the Council of the League of Nations on September 30 remains in full force and effect. The Japanese Government are determined to carry it out in the letter and in the spirit, and they reaffirm their earnest desire to proceed to the withdrawal of the Japanese troops to the railway zone with the minimum of delay.

3. But the resolution of September 30 consecrates the principle that effective security must at the same time be assured for the lives and property of Japanese subjects; and in the state of tension which at present unfortunately exists, it is not possible to hope that the withdrawal of the Japanese forces would immediately give place

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place to a régime of settled peace and order under Chinese auspices. Japan and China would simply be exposed to a speedy recurrence of untoward incidents.

There can be no security for foreign residents where hostile agitation against them is allowed to proceed, where efficient protection to them in their peaceful pursuits is denied by the local authorities, or where their treaty rights are systematically ignored.

Having regard to the actual conditions in Manchuria, the Japanese Government have regretfully been brought to the conclusion that the dangers involved in the precipitate recall of the Japanese troops could not be averted by measures of supervision such as are recommended in the proposed resolution of October 24 referred to in your Excellency's note under review.

4. It is pointed out in your note that the first four points of the five fundamental principles mentioned in the Japanese declaration of October 26 are virtually embodied in the proposition of October 24. Your Excellency, however, will, no doubt, perceive that the terms of that proposition are not sufficiently explicit or comprehensive to cover the full implications of the four points in question.

As regards the fifth point, viz. the guarantee of respect for Japanese treaty rights in Manchuria, the terms of the letter addressed to you on October 24 by the Chinese representative seem to give rise to a doubt whether it is in the contemplation of the Chinese Government to call in question the validity of some of the treaties constituting the basic embodiment of the relations between Japan and China.

It may



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It may be needless to state that the Japanese Government could not for a moment entertain such a contention. Nothing can be more destructive of the established order of the whole world than to permit any power to challenge the binding force of treaties concluded with all the solemnity of international usages.

5. The Japanese Government trust that they have made it clear that the five fundamental principles mentioned in the Japanese declaration of October 26 are no more than those that are commonly observed in the intercourse of ordered communities with one another. Unless and until an arrangement is reached between Japan and China on the basis of those principles no measure of security for the lives and property of Japanese subjects sufficient to enable the withdrawal of the Japanese troops to the railway zone can possibly be assured.

The Japanese Government believes that the course of procedure now indicated is in entire agreement with the resolution of the Council of September 30.

It is far from their thoughts to insist on the final adjustment of the whole series of pending questions between Japan and China as a condition precedent to the withdrawal of the troops. All that they urge upon China for the present is a frank recognition, by direct negotiations between the two parties, of the fundamental principles that should govern normal relations between any two nations. Such an accord will be a long step toward replacing the existing tension by a sense of stability between the peoples of the two nations, whose interest is to be on the best of terms.

REPLY OF THE CHINESE GOVERNMENT TO THE TELEGRAM  
FROM THE PRESIDENT OF THE COUNCIL OF NOVEMBER 8.

November 8, 1931.

Kindly forward following telegram to His Excellency  
Briand, President of Council League Nations:

Chinese Government has received telegraphic communi-  
cation from Your Excellency and has honour to reply as  
follows:

In dealing with invasion and occupation various  
places in Manchuria by Japan Chinese Government has con-  
sistently relied on efforts of League Nations in hope world  
peace will be maintained by pacific settlement present  
question. It has therefore faithfully fulfilled obli-  
gations set forth in Council's resolutions especially  
obligation not to resort any aggressive policy or action  
so as to aggravate existing situation, thereby contributing  
to success of efforts members of Council.

However Japan has not only failed even indicate her  
intention abide by recommendations of Council but has con-  
tinuously extended scope of her military aggressions.  
Since September thirtieth Japan had in disregard of reso-  
lution of Council progressively continued her unlawful  
actions culminating in bombardment Chinchow October eighth.  
Since October twentyfourth Japan has in defiance pronounced  
wish of Council committed more acts of war which have con-  
siderably aggravated situation. Chinese representative  
has communicated to Council reports of unfortunate events  
of last two weeks including seizure Newchang of large  
amounts salt revenue of Chinese Government.

November

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November second large detachments of Japanese troops advanced to Nonni River bridge which is only ninety kilometres from capital Heilungkiang. Using bandits and rebels as their tools Japanese troops later crossed river and attacked Chinese troops. The latter who were stationed more than ten kilometres away from bridge have been compelled adopt necessary defensive measures in order repulse attack deliberately started by Japanese troops. Situation in Heilungkiang is most grave and Japan's intention occupy Tsitsihar by force thus consummating overthrow of established legal authority and creating subservient administration in North Manchuria has now been brought full light. Chinese Government earnestly hopes that Governments of the various Powers will immediately send representatives to observe real situation on spot and to secure evidence of flagrant violations Council's resolutions by Japan.

Chinese Government always believes League Nations is supreme institution world for maintenance peace. It is therefore confident that most effective means permitted by Covenant of League will be used by Members of Council to stop Japan's aggressive actions and to cause her carry out recommendations of Council and that particularly labours Your Excellency as President Council will be most fruitful so that peace and justice as result of these efforts on part League will finally prevail.

(Signed): Chinglun Frank W. Lee, Acting Minister Foreign Affairs.

REPLY OF THE JAPANESE GOVERNMENT TO THE TELEGRAM  
FROM THE PRESIDENT OF THE COUNCIL OF NOVEMBER 6.

November 8, 1931.

Acting on instructions from my Government I transmit to you reply to the telegram from His Excellency M. Briand:

(1) The Japanese Government has honour to acknowledge receipt of your telegram, which reached Tokio November 7th.

(2) Troops at Heilungkiang stationed north of Nonni River, violating agreements which had been made, opened fire on Japanese troops sent for protection repairs to Nonni railway bridge; this was reason of engagements which took place between Japanese and Chinese troops.

(3) The Taonan-Angangchi railway was constructed by South Manchurian Railway Company under contract and handed over to the Chinese authorities in 1927. Since then latter have always refused to pay costs of construction though repeated applications have been made to them for the purpose. They have also refused to convert their debt into a loan. Thus this railway though in the hands of the Chinese authorities may practically be considered as property belonging to the South Manchurian Railway. This railway is one of the lines feeding the South Manchurian.

(4) When about mid October army of Heilungkiang had destroyed Nonni bridge, the Taonan-Angangchi railway administration obtained permission from the authorities of Heilungkiang to send employees to repair bridge. Latter were attacked by Heilungkiang troops and could not carry out their task. Nevertheless, any delay in restoring the  
bridge

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bridge at this period of the year when traffic in agricultural produce is heaviest, causes serious loss to the South Manchurian Railway.

(5) Japanese Consul at Tsitsihar has on several occasions, with a view to protecting interests of South Manchurian Railway, called upon authorities of Heilungkiang to repair the bridge, but latter have systematically adopted dilatory attitude and always been unwilling to give him a definite reply.

However, date when Nonni River begins to freeze was approaching and there was reason to fear that it would soon be impossible to undertake work. The Taonan-Angangohi railway administration therefore decided to ask assistance from Southern Manchurian Railway to begin work as from November 4th and at the same time asked for protection of Japanese troops.

(6) Japanese command having considered that for the purpose of preventing any engagement between Chinese armies in presence on both banks of the river, it was necessary that they should withdraw 10 kilometres, sent on November 2nd through Japanese Consul at Tsitsihar and through staff of the Kwantung troops to the authorities of Heilungkiang request that their troops should be withdrawn to that distance from the north bank of the Nonni River. Authorities of Heilungkiang agreed to do so. However, orders given by them were not carried out by their troops and on November 4th the latter had not only not withdrawn from the banks of the Nonni but they opened heavy fire on our troops who were approaching the bridge. We lost 15 men. Our troops withdrew for a moment but having obtained reinforcements began on November 6th at noon, to repel troops  
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of Heilungkiang north of Tahsing railway.

(7) The sole object of movement of Japanese troops in Nonni area is thus protection of the employees of the Taonan-Angangchi railway administration engaged in repairing the bridge. They were compelled by treacherous attack directed against them by Chinese troops to drive the latter back. Our central military authorities had already on November 6th given orders to limit operations to what is strictly necessary. Moreover, detachments which had been sent as reinforcements are now stopped at Supingkai and Chenchiatung.

(8) Japanese troops are endeavouring, as indicated above, to prevent any encounter with Chinese troops and Japanese Government considers there is no reason to fear aggravation of the situation if the Chinese do not resort to new acts of hostility.

REPLY OF JAPANESE GOVERNMENT TO MEMORANDUM OF AMERICAN  
GOVERNMENT OF NOVEMBER 5, 1931.

(Handed to the Secretary of State by the Japanese  
Ambassador, November 9, 1931.)

"The Japanese Government welcome the views of the American Government so thoughtfully expressed in the memorandum of the American Embassy of November 5 on the subject of the Manchurian incident.

"In that memorandum, the attention of the Japanese Government is invited to the fact that 'a situation has been created in Manchuria which gives Japan substantial control of Southern Manchuria and has temporarily, at least, destroyed the administrative integrity of China in that region.'

"It is evident that shortly after the military action taken by the Japanese railway guards along the South Manchuria Railway to defend themselves as well as to protect the railway and the lives and property of Japanese subjects against attacks of the Chinese armed forces, the Chinese authorities in the affected districts have practically ceased to function. In consequence, the Japanese military authorities were obliged to undertake for some time the duty of maintaining peace and order in such districts.

"Recently, however, local committees for the preservation of peace have been set up in various places by resident Chinese, and have organized a police force for that purpose. In the city of Mukden, for instance, the Chinese committee has under its direction and control 4,000 police officers and men. Those local bodies for the maintenance  
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of public order serve to lighten the police functions of the Japanese troops, and are, as such, favorably received by the Japanese Government. Should they prove themselves effective to assure a reasonable degree of security in the respective districts, and to afford adequate protection to foreign residents, the Japanese troops will be ready at any time to withdraw to the Railway Zone.

"The state of things now prevailing in Manchuria is certainly abnormal. But it is only temporary. Similar conditions occurred in Tsinan in 1928-9, when the Japanese forces were in occupation of that district, in order to protect Japanese residents against ravages of the Chinese troops. In no case have such military measures been inspired by any thought of bringing about any territorial or administrative dismemberment of China. It will be recalled that soon after the close of the Sino-Japanese war of 1894-5, a policy looking to the eventual 'partition of China' appeared to be gaining ground in some quarters of the world. In the denunciation of such a policy, the United States, Japan and Great Britain were in complete accord, and their determination to respect the territorial and administrative integrity of China was affirmed in many of the diplomatic instruments signed by those Powers. The Japanese Government remain unchanged in their stand against the partition of China.

"In the memorandum of the American Embassy under review, it is pointed out that there are two distinct points to



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

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to be considered: first, the peaceful solution of the present situation, and, second, a solution through negotiation of the various matters at issue between Japan and China, arising from misunderstanding as to the respective treaty rights of the two nations. The memorandum then proceeds to conclude that a settlement of the various broader issues of the second point can not appropriately be reached until the first has been disposed of.

"The Japanese Government feel that their position is virtually in harmony with that conclusion of the American Government. They have no intention of insisting on the final adjustment of the whole series of their controversies with China, as a condition precedent to the withdrawal of Japanese troops to the Railway Zone. Their efforts for the present are primarily directed towards the peaceful solution of the present situation. It is not, however, possible to hope, as things stand at this moment, that the recall of the Japanese troops now operating outside the Railway Zone would solve the existing situation. With the replacement of the Japanese troops by the Chinese, violent hostile agitation against Japan under the auspices, overt or covert, of the Chinese authorities would be set to work in Manchuria as in other parts of China. Japanese and Koreans carrying on peaceful pursuits in that region would once more be subjected to persecution and outrage as they have been for several years. All the treaty rights of Japan would be challenged and ignored, and the security of Japanese subjects would at once be menaced.

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"Such dangers would inevitably be involved in any premature withdrawal of the Japanese troops. In order to provide against those dangers, the Japanese Government have been brought to the conclusion that candid recognition, by an arrangement between Japan and China, of certain fundamental principles, the substance of which has already been communicated to the American Government, is of supreme importance. The principles which they have thus formulated are no more than those that are generally observed in practice in dealings of organized peoples with one another. In seeking agreement on terms of such a nature, Japan can not justly be accused of any intention of exerting military pressure on China. The Japanese Government trust that an arrangement between Japan and China on those fundamental principles, affording as it will a measure of security for the lives and property of Japanese subjects, will pave the way for an early withdrawal of the troops to the Railway Zone.

"We believe that the arrangement now indicated can not be regarded as solution of the various matters of the second point mentioned in the memorandum of the American Embassy, but that it is simply a process for the settlement of the first point. The whole Manchurian incident is an outcome of manifold and complicated events with historical background extending over more than thirty years. The Japanese Government hope that it will be appreciated that time and patience are needed for an adjustment of the problem."

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On November 5, M. Briand called the Council of  
the League of Nations to meet November 18th in Paris,  
instead of in Geneva.

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INSTRUCTIONS TO AMBASSADOR DAWES FROM THE  
SECRETARY OF STATE

November 10, 1931.

Confirming telephone conversation, you are requested to be present in Paris during the next few days so that you may be available for conference with Monsieur Briand and perhaps the representatives of other nations who are gathering there for the adjourned meeting of the Council of the League of Nations on November 16 in connection with the situation which has arisen in Manchuria. It is not expected that you will find it necessary to attend the Council meetings but since the developments in Manchuria and the discussions which will take place in Paris presumably will involve matters affecting the treaty rights and general interests of the United States, it is considered desirable that you be available for conference on matters bearing thereon.

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TEXT OF TELEGRAM SENT BY PRESIDENT OF THE  
COUNCIL TO JAPANESE GOVERNMENT, AND CHINESE  
GOVERNMENT..

November 11, 1931.

Request you to thank Chinese and Japanese Governments for replies they have made to telegram I sent them through you on November 6. After carefully studying these replies and the latest communications received, I feel I must insist once more on undertaking entered into by both Governments to make every effort to avoid any aggravation of situation. I also urge that commanders of opposing forces should receive strictest orders to refrain from initiating any fresh action. Lastly, I consider it extremely important that facilities should be given to the observers whom the members of the Council may send to the scene, particularly neighborhood of Nonni Bridge and Angangohi, to collect information referred to in resolution of September 30.

COMMUNICATION FROM THE CHINESE MINISTRY OF FOREIGN  
AFFAIRS TO THE AMERICAN MINISTER IN CHINA AS REPORTED  
IN A CABLE FROM THE LATTER TO THE SECRETARY OF STATE  
DATED NOVEMBER 14, 1931.

Nanking via N. R.

Dated November 14, 1931

Rec'd 4:58 a.m.

Secretary of State,  
Washington

108, November 14, noon.

Enclosed with a note dated November 11th, Ministry  
of Foreign Affairs sent, one, plans for the taking over  
occupied places in Manchuria, two, regulations governing  
the organization of commission for the reoccupation of the  
evacuated territory of the northeast, and three, a list  
of the members of the commission.

The plans include the inviting of the representatives  
of the different powers to cooperate. It is expected that  
these representatives will observe the working of the com-  
mission and remain in reoccupied places until they are sure  
that peace and order are effectively maintained. The best  
disciplined soldiers gendarmes and police will be despatched  
by the Government to places to be taken over. Martial law  
is to be resorted to by the commission whenever necessary  
to protect life and property.

Special precautions are to be taken to ensure the  
safety of all Japanese nationals but the Japanese  
Government is expected to warn its nationals in the  
evacuated territory against taking any undesirable  
course of action. The regulations are for seven<sup>teen</sup>  
articles.

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articles. Under these regulations, and instructions from the national government, the Commission will arrange details in connection with the reoccupation and rehabilitation of the places in Manchuria now occupied by the Japanese. The commission is to be subdivided into the following sections:

One. Political, in charge of the taking over of the civil, financial, and industrial affairs of the evacuated places;

Two. External affairs, in charge of consultations with the representatives appointed by the governments of the different countries, the arrangement of the details for the taking over of the evacuated places, and other matters related thereto;

Three. Safety, in charge of the assignment and supervision of soldiers, gendarmes and police, and the maintenance of peace in the evacuated places; and

Four. Communications, in charge of railways, public roads, electrical communications and all other facilities for communication. Chinese and foreign technical experts may be engaged to assist and make plans. In connection with the execution by the Commission of the recommendations contained in the resolution of the League of Nations, the Chairman of the Commission requests invite the representatives appointed by the governments of the different countries to observe such execution. All facilities will be accorded to the representatives appointed by the governments of the different countries. The Commission will record the proceedings of reoccupation and communicate for reference



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reference records of such proceedings to the representatives appointed by the governments of the different countries.

The regulations were promulgated by the National Government on November 7th, 1931.

Members of the Commission came as listed in Nanking's telegram November 3, 12, noon, to the American Minister at Shanghai and subsequently repeated by him to the Department.

For the Consul General

MEYER

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

**TELEGRAM FROM THE CHINESE ACTING MINISTER FOR  
FOREIGN AFFAIRS TO THE AMERICAN MINISTER TO CHINA.**

**November 11, 1931.**

**His Excellency Nelson Trusler Johnson, American  
Minister.**

I have the honor to request Your Excellency to appoint  
representatives to proceed to Tientsin at once to investi-  
gate the serious occurrences there during the last two days.  
I further request Your Excellency to advise the American  
Government of the real facts that may be found by your rep-  
resentatives. Chinglun Frank W. Lee, November 10th.

**NOTE:** There was no written reply to this telegram since  
the American Consul General had already been in-  
structed to investigate and report to the Depart-  
ment with regard to the occurrences at Tientsin.

COMMUNIQUE ISSUED BY THE COUNCIL OF THE LEAGUE  
OF NATIONS REGARDING PROPOSED RESOLUTION.

November 25, 1931.

"In the hope of establishing a resolution to be adopted unanimously, including the votes of the two parties, in conformity with Article 11 of the Covenant, a draft scheme has been drawn up which deals separately with the withdrawal of the Japanese troops within the railway zone and the appointment of an international commission.

The substance of the scheme, which has been communicated to the two parties, is as follows:

The resolution of September 30th is recalled and reaffirmed. The two parties declare that they are solemnly bound by that resolution. The two governments are accordingly invited to take all steps necessary to assure its execution so that the withdrawal of the Japanese troops within the railway zone - a point to which the Council attaches the utmost importance - may be effected as speedily as possible.

The two parties undertake:

To give to the commanders of their respective forces the strictest orders to refrain from any initiative which may lead to further fighting and loss of life; and to take all measures necessary to avoid any further aggravation of the situation.

The members of the Council are invited to furnish

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it with information received from their representative on the spot.

It is proposed to appoint a commission to study on the spot and to report to the Council on any circumstances which, affecting international relations, threatens to disturb peace between China and Japan or the good understanding between them on which peace depends. China and Japan would each be represented by an assessor.

The appointment and deliberations of the commission would not prejudice in any way the engagement taken by the Japanese Government and correlatively the resolution of September 30th regarding the withdrawal of the Japanese troops within the railway zone."

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STATEMENT BY AMBASSADOR DAWES, NOVEMBER 25, 1931,  
REGARDING PROPOSED LEAGUE RESOLUTION.

"The United States Government approves the general plan of settlement embodied in the proposed resolution of the Government of the United States and has so informed both China and Japan. It has urged upon them acquiescence in the general plan embodied in the proposed resolution."

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After Japanese troops had defeated the forces of General Ma Chan-shan and had occupied Tsitsihar, it became evident that the Japanese military authorities were considering the launching of an expedition against Chinchow.

On November 27th Japanese troops advanced in force from Mukden in the direction of Chinchow.

COMMUNICATION FROM THE PRESIDENT OF THE COUNCIL  
OF THE LEAGUE TO THE CHINESE AND JAPANESE GOVERNMENTS.

November 25, 1931.

On behalf of my colleagues on the Council, I have the honour to make the following appeal to the Japanese and Chinese Governments. The Council is striving to achieve a peaceful settlement of the dispute, but its efforts would be in vain if fresh engagements were to occur between Chinese and Japanese forces. The Council specially calls the attention of the two Governments to the situation existing in the Chinchow region. Already certain Governments have decided to send observers there. But it is for the two parties to give the Commanders of their respective forces the strictest orders to refrain from any action which might lead to further engagements and further loss of human life. My colleagues and I rely on the will of the two Governments to take all necessary measures for this purpose urgently.

LETTER FROM THE SECRETARY GENERAL OF THE  
LEAGUE OF NATIONS TO AMBASSADOR DAWES.

November 28, 1931.

May I draw your attention to a point in yesterday's discussion of the twelve members of the Council other than Japan and China which I think may have a special interest for your Government.

After it had been decided that the President of the Council should send a telegram to both the Chinese and Japanese Governments in connection with the threatening situation at Chinchow, the suggestion was made that the various governments might in addition and on their own responsibility take individual action. Two possibilities therefor were suggested. First, the despatch of telegrams to the two governments exhorting them against any action which would aggravate matters in that region; and, second, the despatch of as many observers as possible to the vicinity of Chinchow. The Council finally agreed that it would be very helpful if the Government of the United States felt itself able to take independent action on these lines at the same time as the other governments.



COMMUNICATION FROM THE SECRETARY OF STATE READ TO THE  
JAPANESE MINISTER OF FOREIGN AFFAIRS BY THE AMERICAN  
AMBASSADOR AND A COPY DELIVERED.

November 27, 1931.

I have been much concerned to learn from the  
President of the Council of the League of Nations that  
Mr. Yoshizawa called upon him Thursday and left an  
aide memoire regarding the very serious situation around  
Chinchow and the necessity of immediate steps to obviate  
a collision.

Your Excellency will remember that on November 24th  
in response to my representations through Ambassador  
Forbes you assured me, with the concurrence of the  
Minister of War and the Chief of Staff that there would  
be no movement of Japanese troops in the direction of  
Chinchow and informed me that orders to that effect  
had been given to the Japanese troops. In reliance  
upon this assurance I have urged conciliatory steps  
upon the Chinese Government and an acceptance of the  
proposal of the Council of the League of Nations, which  
proposal was in part based upon a proposition of the  
Japanese Government. Inasmuch as according to  
Mr. Yoshizawa's statement to M. Briand there are only  
some twenty thousand Chinese troops in the Chinchow  
district and north of the Great Wall, and inasmuch as  
Chinchow is substantially 180 miles by rail from the  
South Manchuria Railway at Mukden, I am quite unable  
to

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to see how there can be any serious danger to that railway or any serious danger of a clash between Chinese and Japanese troops unless the latter troops should fail to observe the orders which Your Excellency assured me had been given.

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On November 30th Japanese headquarters at Mukden  
announced that these troops had been withdrawn east of  
the Liao River.

December 10, 1931

TEXT OF THE RESOLUTION UNANIMOUSLY ADOPTED  
BY THE COUNCIL OF THE LEAGUE OF NATIONS ON DECEMBER 10,  
AS TELEGRAPHED TO THE DEPARTMENT OF STATE BY AMERICAN  
AMBASSADOR CHARLES G. DAWES.

The Council first reaffirms the resolution passed unanimously by it on September 30, 1931, by which the two parties declare that they are solemnly bound. It therefore calls the Chinese and Japanese Governments to take all steps necessary to assure its execution so that the withdrawal of the Japanese troops within the railway zone may be effected as speedily as possible under the conditions set forth in the said resolution.

2. Considering that events have assumed an even more serious aspect since the Council meeting of October 24, notes that the two parties undertake to adopt all measures to avoid any further aggravation of the situation and to refrain from any initiative which may lead to further fighting and loss of life.

3. Invites the two parties to continue to keep the Council informed as to the development of the situation.

4. Invites the other members of the Council to furnish the Council with any information received from their representatives on the spot.

5. Without prejudice to the carrying out of the above mentioned measures,

Desiring in view of the special circumstances of the case to contribute towards a final and fundamental  
solution

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solution by the two governments of the questions at issue between them,

Decides to appoint a commission of five members to study on the spot and to report to the Council on any circumstances which affecting international relations threatens to disturb peace between China and Japan or the good understanding between them upon which peace depends.

The Governments of China and of Japan will each have the right to nominate one assessor to assist the commission.

The two Governments will afford the commission all facilities to obtain on the spot whatever information it may require.

It is understood that should the two parties initiate any negotiations these would not fall within the scope of the terms of reference of the commission nor would it be within the competence of the commission to interfere with the military arrangements of either party.

The appointment and deliberations of the commission shall not prejudice in any way the undertaking given by the Japanese Government in the resolution of September 30 as regards the withdrawal of Japanese troops within the railway zone.

6. Between now and its next ordinary session which will be held on January 25, 1932, the Council which remains seized of the matter invites its President to follow the question and to summon it afresh if necessary.

DECEMBER 10, 1931

DECLARATION MADE BY THE PRESIDENT OF THE  
COUNCIL OF THE LEAGUE OF NATIONS AT PUBLIC  
MEETING OF THE COUNCIL OF THE LEAGUE OF  
NATIONS AT PARIS, DECEMBER 10, 1931.

It will be observed that the resolution which is before you provides for action on two separate lines (one) to put an end to the immediate threat to peace (two) to facilitate the final solution of existing causes of dispute between the two countries.

The Council was glad to find during its present sittings that an inquiry into the circumstances which tend to disturb the relations between China and Japan in itself desirable, would be acceptable to the parties. The Council therefore welcomed the proposal to establish a commission which was brought before it on November 21st. The final paragraph of the resolution provides the appointment and functioning of such a commission.

I shall now make certain comments on the resolution paragraph by paragraph.

Paragraph one. This paragraph reaffirms the resolution unanimously adopted by the Council on September 30th laying particular stress on the withdrawal of the Japanese troops within the railway zone on the conditions described therein as speedily as possible.

The Council attaches the utmost importance to this provision and is persuaded that the two Governments will set themselves to the complete fulfillment of the engagements which they assumed on September 30th.

Paragraph

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Paragraph two. It is an unfortunate fact that since the last meeting of the Council events have occurred which have seriously aggravated the situation and have given rise to legitimate apprehension. It is indispensable and urgent to abstain from any initiative which may lead to further fighting and from all other action likely to aggravate the situation.

Paragraph four. Under paragraph four the members of the Council other than the parties are requested to continue to furnish the Council with information received from their representatives on the spot.

Such information having proved of high value in the past, the powers who have the responsibility of sending such representatives to various localities have agreed to do all that is possible to continue and improve the present system.

For this purpose these powers will keep in touch with the two parties, so that the latter may, should they so desire, indicate to them the localities to which they would desire the despatch of such representative.

Paragraph five. Provides for the institution of a commission of inquiry. Subject to its purely advisory character the terms of reference of the commission are wide. In principle no question which it feels called upon to study will be excluded provided that the question relates to any circumstances which affecting international relations, threaten to disturb peace between China and Japan or the good understanding between them upon which peace depends.

Each

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Each of the two Governments will have the right to request the commission to consider any question the examination of which it particularly desires. The commission will have full discretion to determine the questions upon which it will report to the Council and will have power to make interim reports when desirable.

If the undertakings given by the two parties according to the resolution of September 30th have not been carried out by the time of the arrival of the commission, the commission should as speedily as possible report to the Council on the situation.

It is specially provided that "should the two parties initiate any negotiations, these would not fall within the scope of the terms of reference of the commission nor would it be within the competence of the commission to interfere with the military arrangements of either party." This latter provision does not limit in any way its faculty of investigation. It is also clear that the commission will enjoy full liberty of movement in order to obtain the information it may require for its reports.



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DECLARATION MADE BY THE JAPANESE REPRESENTATIVE  
AT THE MEETING OF THE COUNCIL OF THE LEAGUE OF NATIONS  
AT PARIS, DECEMBER 10, 1931.

With regard to paragraph two of the draft resolution now before the Council I am happy to accept it on behalf of the Japanese Government on the understanding that this paragraph is not intended to preclude the Japanese forces from taking such action as may be rendered necessary to provide directly for the protection of the lives and property of Japanese subjects against the activities of bandits and lawless elements rampant in various parts of Manchuria. Such action is admittedly an exceptional measure called for by the special situation prevailing in Manchuria, and its necessity will naturally be obviated when normal conditions shall have been restored in that region.

DECLARATION MADE BY THE CHINESE REPRESENTATIVE  
AT THE MEETING OF THE COUNCIL OF THE LEAGUE OF NATIONS  
AT PARIS, DECEMBER 10, 1931.

1. China reserves all rights to which it is entitled under the provisions of the Covenant, under existing treaties to which China is a party and under the accepted principles of international law.

2. The present arrangement evidenced by the resolution and the statement made by the President is regarded by China as a practical measure embodying four essential and interdependent elements.

(A) Immediate cessation of hostilities

(B) Liquidation on the Japanese occupation of Manchuria within the shortest possible time.

(C) Neutral observation and reporting upon all developments from now on.

(D) A comprehensive inquiry into the entire Manchurian situation on the spot by a commission appointed by the Council.

The failure of any one of the stipulations of the agreement to materialize would mean the failure of the whole agreement.

3. China expects that the commission will make its first duty to inquire into and report with its recommendations on the withdrawal of the Japanese forces if such withdrawal has not been completed when the commission arrives on the ground.

4. China assumes that the said arrangement neither directly nor by implication affects the question of reparations due to China as a result of events in Manchuria.

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5. China considers that the injunction to the parties not to aggravate the situation should not be violated under the pretext of the existence of lawlessness caused by the state of affairs in Manchuria.

The only sure way of restoring peace in Manchuria is to hasten the withdrawal of Japanese troops. China can not tolerate the occupation of her territory by foreign troops; far less can she permit these troops to usurp the police functions of the Chinese authorities.

6. China will from time to time, as occasion requires, indicate the localities to which it seems desirable to despatch neutral observers.

7. It should be understood that in agreeing to this resolution, China in no way recedes from the position she has always taken with respect to the maintenance of military forces in the railway zone.

8. Chinese Government would regard any attempt by Japan to bring about complications of a political character affecting China's territorial or administrative integrity as an obvious violation of the undertaking to avoid any further aggravation of the situation.

**STATEMENT OF LORD BEGIL, THE BRITISH REPRESENTATIVE  
ON THE COUNCIL.**

December 10, 1931.

The Council has heard the declaration of the Chinese and Japanese representatives on paragraph two. There can be no doubt that the position in Manchuria is difficult and exceptional. It may well be that circumstances may arise there which will cause danger to Japanese lives and property from elements of the population out of control and if an emergency of that kind should arise it might become inevitable that Japanese forces in the neighborhood should take action against bandits and the like. But I welcome the recognition by the Japanese representative of the exceptional character of the situation and that the necessity of such exceptional action will come to an end as soon as normal conditions have been restored. In saying this I do not mean to suggest that the Japanese declaration weakens the obligation set out in paragraph two of the resolution to avoid any action which will lead to a recrudescence of fighting between the Chinese and Japanese troops or a further aggravation of the situation.

DECEMBER 10, 1931

STATEMENT BY THE SECRETARY OF STATE

The Government of the United States is gratified at the unanimous adoption by the Council of the League of Nations of the Resolution of December 10. This represents a definite step of progress in a long and difficult negotiation which M. Briand and his associates have conducted with great patience.

The Council of the League of Nations was in session on September 18 when the present situation in Manchuria first developed. China at once appealed to the Council under Article 11 of the League Covenant. The Council took immediate cognizance of this appeal, and China and Japan participated in the discussions before it in accordance with their obligations as parties to the Covenant. This Government has from the beginning endeavored to cooperate with and support these efforts of the Council by representations through the diplomatic channels to both Japan and China. Not only are the American people interested in the same objective sought by the League of preventing a disastrous war and securing a peaceful solution of the Manchurian controversy, but as a fellow signatory with Japan and China in the Kellogg-Briand Pact and in the so-called Nine Power Treaty of February 6, 1922, this government has a direct interest in and obligation under the undertakings of those treaties.

The present Resolution provides for the immediate cessation of hostilities. It reaffirms the solemn pledge of Japan to withdraw her troops within the  
railway

-2-

railway zone as speedily as possible. It provides for the appointment of a commission of five members to study on the spot and report to the Council on any circumstance which disturbs the peace or affects the good understandings between China and Japan. Such a provision for a neutral commission is in itself an important and constructive step towards an ultimate and fair solution of the intricate problem presented in Manchuria. It means the application with the consent of both China and Japan of modern and enlightened methods of conciliation to the solution of this problem. The principle which underlies it exists in many treaties of conciliation to which the United States is a party and which have played in recent years a prominent part in the constructive peace machinery of the world. The operation of such a commission gives time for the heat of controversy to subside and makes possible a careful study of the underlying problem.

The ultimate solution of the Manchurian problem must be worked out by some process of agreement between China and Japan themselves. This country is concerned that the methods employed in this settlement shall, in harmony with the obligations of the treaties to which we are parties, be made in a way which shall not endanger the peace of the world and that the result shall not be the result of military pressure. These are the essential principles for which the United States and the nations represented on the Council have been striving and it is in itself a signal accomplishment that there has been arrayed behind these principles in a harmonious cooperation such a solid alignment of the nations of the world.

On

-3-

On the other hand the adoption of this Resolution in no way constitutes an endorsement of any action hitherto taken in Manchuria. This government, as one of the signatories of the Kellogg-Briand Pact and the Nine Power Treaty, cannot disguise its concern over the events which have there transpired. The future efficacy of the Resolution depends upon the good faith with which the pledge against renewed hostilities is carried out by both parties and the spirit in which its provisions directed toward an ultimate solution are availed of. The American Government will continue to follow with solicitous interest all developments in this situation in the light of the obligations involved in the treaties to which this country is a party.

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

**The Japanese cabinet, headed by Premier Wakatsuki  
resigned on December 11, 1931.**



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

On December 15, General Chiang Kai-shek,  
President of the National Government of the Republic  
of China, resigned from all his offices, and his  
resignation was followed shortly by the resignation  
of other of the principal officers of his Government.

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

On or about December 22 information from official sources as well as from press reports indicated that the Japanese military forces were embarking on operations to the West of the South Manchuria Railway in the direction of Chinchow.

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

COMMUNICATION FROM THE SECRETARY OF STATE READ  
TO THE JAPANESE MINISTER OF FOREIGN AFFAIRS BY  
THE AMERICAN AMBASSADOR AND A COPY DELIVERED.

December 24, 1931.

News despatches and reports from a variety of official sources, are to the effect that responsible Japanese authorities are seriously contemplating action in connection with the continued presence of the regular Chinese military forces at and south of Chinchow in Manchuria, measures which, if followed through to their logical conclusion, would in all probability lead to renewal of armed hostilities. In the presence of these reports, I feel called upon, as a part of friendship, again frankly to convey to the Japanese Government expression of my apprehension.

On the basis of reports made by military observers of several nationalities on the spot, including our regular American military attaches, I find no repeat no evidence that the Chinese have engaged in or are preparing for any offensive military movement.

My position with regard to this matter has been made known to the Japanese Government both through the Japanese Ambassador in Washington and through the American Ambassador in Tokyo. The position of the Council of the League with regard to the whole question of further hostilities in Manchuria, along with other matters, is definitely recorded in the resolution of the Council of December 10, which resolution was approved by all members of the Council, including the Chinese and Japanese representatives. The position of the American Government has been indicated by its express approval of the substance and the letter of that

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

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that resolution. This approval was definitely recorded in my public statement of December 10. In that statement, after outlining and commenting upon the provisions of the resolution including provisions for cessation of hostilities, I said: "The future efficacy of the Resolution depends upon the good faith with which the pledge against renewed hostilities is carried out by both parties and the spirit in which its provisions directed toward an ultimate solution are availed of."

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

REPLY OF JAPANESE MINISTER OF FOREIGN AFFAIRS DATED  
DECEMBER 27, 1931, TO COMMUNICATION FROM SECRETARY  
OF STATE DATED DECEMBER 24, 1931.

The Foreign Minister of the Imperial Government has carefully read the memorandum from the Secretary of State of America which was submitted by the American Ambassador in Japan under date of December 24, 1931.

The Imperial Government deeply appreciates the friendly concern the American Government has always had with regard to the present incident and at the same time has paid careful attention to the argument expressed in the statement of the Secretary of State on December 10th.

According to the memorandum of the Secretary of State, judging from reports made by military officers in Manchuria of America and three other countries there is no evidence of any preparations on the part of the Chinese for attack. The Chinchow military authorities are keeping great military forces in general at Tahushan west of the Peiping-Mukden line and that vicinity, and are not only steadily making military preparations by despatching advance forces to different places along the right bank of the Liao River but are using mounted bandits and other insubordinate elements and are systematically disturbing peace, as is clearly known in the attached statement of the Imperial Government of December 27th.

On December 10th when the Council adopted a resolution, the Japanese delegate made a definite reservation that the Imperial Army will be obliged to  
start

- 2 -

start military operations against bandits and other insubordinate elements for the purpose of restoring peace and order. In the fear that in starting the above military operations on a large scale a collision will occur with the above mentioned Chinese, complete subjugation has been refrained from for a time. Towards the close of November a proposal regarding the question of withdrawal from the vicinity of Chinchow being advanced by the Chinese side, conversations between Japan and China were conducted for about one month, but on account of insincerity on China's part the above mentioned withdrawal has not been realized up to the present. Meanwhile the activities of groups of bandits instigated and employed by the Chinchow military authorities became so serious that there was finally created a situation that is feared might bring about a fundamental bankruptcy of general peace and order in South Manchuria. Thereupon the Imperial Army was recently obliged to move out simultaneously and begin the subjugation of bandit bands on a comparatively large scale. The fact that the Imperial Army did not take initiatory measures such as attack on the Chinese Army willingly in defiance of the resolutions adopted by the Council on September 30th and December 10th is minutely mentioned in the statement of the Imperial Government above referred to.

The Imperial Government is determined to remain loyal to the League of Nations Covenant, the No War Treaty, other various treaties and the two resolutions adopted by the Council regarding the present incident. In spite of the

fact

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

- 3 -

fact that the Japanese people are greatly irritated over the systematic disturbance of peace by the Chinchow military authorities the Japanese Army restricted the freedom of subjugation of bandits for a period of one month. In the meanwhile the Government has endeavored by resorting to all possible diplomatic measures to prevent beforehand a collision between the Japanese and Chinese armies that is likely to occur when subjugation is carried out. The Imperial Government trusts that the American Government will surely understand that this sincerity and forbearance are in accord with the spirit of faithfulness to obligations based on the above mentioned treaties and the resolutions adopted by the Council.

**STATEMENT BY THE JAPANESE GOVERNMENT**

(Attached to preceding note of Japanese Government of December 27.)

December 27, 1931.

1. The maintenance of peace and order in Manchuria is a matter to which the Government of Japan have always attached the utmost importance. They have on various occasions taken every lawful step in order to secure it and prevent Manchuria from becoming a battlefield of militarists. Only if peace and order prevail can the country be safe either for Chinese or for foreigners. In the absence of peace and order it is futile to speak of the open door or of equal opportunity for economic activities of all nations. But the events of September last have, in spite of her wishes, created a new responsibility and a wider sphere of action for Japan. Attacked by Chinese violence her acts of necessary self-protection resulted, to her considerable embarrassment, in her having to assume the duty of maintaining public order and private rights throughout a wide area. The local authorities might have been expected to cooperate in upholding law and order. But in fact they almost unanimously fled or resigned. It was Japan's clear duty to render her steps of self defense as little disturbing as possible to the peaceable inhabitants of the region. It would have been a breach of that duty to have left the population a prey to anarchy - deprived of all the apparatus of civilized life. Therefore the Japanese military have at a considerable sacrifice expended much time and energy in securing the safety



-2-

safety of persons and property in the districts where native authorities had become ineffective. This is a responsibility which was thrust upon them by events and one which they had as little desire to assume as to evade.

2. But, further than that, not only did the existing machinery of justice and civilized existence break down, but criminal activities of bandits who infest the country were naturally stimulated. The prestige and efficiency of Japanese troops were for some time sufficient to keep them in check and to maintain order wherever they were stationed. Since the beginning of November, however, a sudden increase in the activities of bandits has been noted in the vicinity of the South Manchuria Railway Zone and especially to the west of the main line - and it has been established by examination of arrested individuals, by documents which have been seized, and from sources of information that their depredations are being carried on through systematic intrigues of the Chinchow military authorities.

Reports have indeed been made by certain of the foreign military observers suggesting that they found no evidence of any preparations being made by Chinese for attack. But as a matter of fact, the military authorities of Chinchow are maintaining large forces at various points west of Takushan on the Peiping Mukden Railway and in the adjacent territory. Reconnaissances conducted by the Japanese army have not only definitely confirmed the assurance that these forces are engaged in making preparations for war but have also revealed the fact that their outposts are stationed along the line connecting Tienchuantai, Taian, Peichipao

-3-

Peichipao and other points on the right bank of the river Liao well advanced from Chinchow. It will readily be admitted that such a situation in itself constitutes a constant menace to the Japanese contingents dispersed along the South Manchuria Railway and elsewhere but the danger is even greater than it seemed at first sight, if the further fact is taken into consideration that the Peiping Mukden Railway places the cities of Mukden, Yinkao, and Hopei within the short journey of three or four hours from Takushan and Kuopantsu (which are the bases of the Chinese forces).

The bandit forces (which include a large number of officers and men discharged from the Chinese army) are daily gaining strength. For instance, a number of bandits of the western flank of the main line of the South Manchuria Railway was estimated in early November at 1,300 whereas investigations conducted in early December revealed the fact that they then numbered over 30,000. Moreover, they are banded together in large groups comprising several hundreds, or even thousands, each equipped with machine guns and trench mortars; so that they can no longer be distinguished from the regular troops. This points unmistakably to the existence of a state of things in which so-called bandits are diverted and provided with arms by the Chinchow military authorities. According to statistics compiled by the Japanese Consulate General at Mukden, cases of bandit raids in the vicinity of the railway zone number 278 during the first ten days of November, 341 during the second ten days, 438 during the final ten days of the month, and 472 during the first ten days of December, thus reaching the astounding

-4-

astounding total of 1539 in forty days. It is the usual strategy of these bandit troops when attacked by our men to fly westward or to take refuge on the right bank of the river Liao; where our army anxious to avoid any collision with Chinese regulars has made it a point to refrain from further pursuit.

3. On the 24th of November the Foreign Minister of China made an intimation to the ministers at Nanking of the principal powers to the effect that the Chinese Government, in order to avoid any collision between the Chinese and Japanese forces, were prepared to withdraw their troops to points within the Great Wall. Upon a proposal to that effect being officially made on the 26th, this Government signified their readiness to accept it in principle at the same time instructing the Japanese Minister at Shanghai and the Legation at Peiping to open conversations on the matter with the Chinese Foreign Minister and with Marshal Chang Hsueh-liang respectively.

The Japanese Minister in China had several conferences accordingly with the Chinese Foreign Minister between the 30th of November and the 3rd of December. In the midst of these conversations, the latter withdrew overture and declined further negotiation. Marshal Chang Hsueh-liang, with whom our representative at Peiping carried on negotiations on the 4th of December onwards either directly or through the Marshal's subordinates, expressed his willingness to call in his Chinchow forces as a spontaneous move of withdrawal; and he has since given repeated assurances as to the speedy execution of his promise. In point of fact, however, there is no sign of any such withdrawal. On the contrary

-5-

contrary the defenses of Chinchow have since been strengthened.

4. Accordingly, at the present moment, now almost a month subsequent to the initiation of these negotiations for the withdrawal of the Chinchow troops, there appears no prospect of obtaining any tangible result owing entirely to want of good faith on the Chinese side. At the same time the increased activity above described on the part of marauding bands threatens to bring about the complete destruction of all peace and security throughout the whole extent of South Manchuria. In these circumstances, the Japanese forces have now begun a general movement with a view to campaigning against the bandits on a more extensive scale than hitherto. It is obvious from what has been said above that the Japanese army if it is to achieve anything like adequate success will have to advance to points west of the river Liao where the bandits have their base. Certainly the Japanese forces in deference to resolutions of the League Council adopted the 30th of September and the 10th of December are not in the field against regular Chinese forces; but in the present abnormal conditions prevailing in Manchuria, necessities of the case compel them to continue their operations against lawless elements. This is a point on which the representative of Japan at the recent session of the Council of the League held on the 10th of December made definite declarations. So long as Chinchow military authorities while simulating an unaggressive attitude continue to instigate and manipulate movements of bandit organisations against the Japanese army as well as Japanese and other peaceable inhabitants and so long

-8-

long as officers and men of the Chinchow army mingle in large numbers with these bandit groups and so render it impossible to distinguish the latter from regular troops, so long must the responsibility for the consequences of any action which may be entailed upon the Japanese army in self defense rest entirely with the Chinese.

5. During the course of the past month, in spite of the indignation aroused throughout the country by the behaviour of the Chinchow military authorities and in accordance with the constant desire of the Japanese Government to abide scrupulously by the resolutions of the League Council, operations of the army against the bandits have been restrained within comparatively narrow limits and the government have done everything in their power to devise means for forestalling collision between the forces of the two countries in the course of an eventual anti-bandit campaign. The Japanese government are confident that their prolonged forbearance and their desire strictly to adhere to stipulations of international engagements will not fail to command recognition by the public opinion of the world.

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

The advance in force against the Chinese bandits, which the Japanese Foreign Minister in his communication of December 27th stated had already begun, proceeded in the area southwest of Mukden and in the direction of Chinchow. On December 28th, however, Marshal Chang Hsueh-liang ordered his Manchurian troops to evacuate the Chinchow area and to withdraw south of the Great Wall of China.

AIDE MEMOIRE

From the Chinese Legation to the Department of State  
under date December 31, 1931.

In spite of the provisions contained in paragraph II of the resolution unanimously adopted by the Council of the League on December 10, 1931, with reference to Manchurian affairs requiring that the two parties undertake to adopt all measures necessary to avoid any further aggravation of the situation and refrain from any initiative which may lead to further fighting and loss of life, the Japanese Army on the pretext of suppressing bandits has now advanced westward of the Liao River and on December 24th occupied Tienchuangtai. Again on December 28th and 29th they seized successively the Tawa Station and Walled City of Panshan. The Japanese troops have repeatedly attacked and pressed upon the Chinese Army with an evident intention of capturing Chinchow.

Such actions on the part of Japan have not only encroached upon China's territorial sovereignty, thus violating the principles of international law, the League Covenant, the Nine Power Treaty and the Kellogg Pact, but have utterly scorned the recent resolution of the League Council.

The declaration of the Japanese Foreign Office on December 27th explaining that the movement of Japanese troops toward west of the Liao River was for protecting themselves against local bandits encouraged by the Chinese Army at Chinchow is entirely contrary to fact.

The Chinese Government has received a report to the effect that Japan again despatched on December 27th a mixed brigade from Korea to Manchuria. The enlargement of the  
Japanese

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

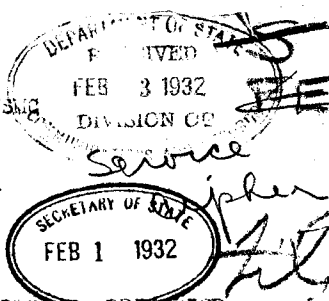
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JAN 30 1932

FROM FOURTH REGIMENT USMC  
TO CINC ASIATIC  
INFO COMYANGPAT OPNAV

PRIORITY



SECRETARY'S OFFICE  
60000  
JAPANESE COMMITTEES LAST 1000 NO JAPANESE PRESENT. BRIGADIER

FILING STATED OBJECT OF MEETING DISCUSSION OF JAPANESE DISREGARD  
OF NEUTRALITY OF INTERNATIONAL SETTLEMENT. FACTS: TWO ARMED JAP-  
ANESE PATROLS YESTERDAY PASSED THROUGH BRITISH SECTOR AND DEMOLISHED  
RAILROAD BRIDGE WEST OF JESS FIELD PARK, 500 JAPANESE IN BARRACKS  
IN US MARINE SECTOR A CONSTANTLY PATROLLING SECTOR IN SPITE OF ONE  
WRITTEN AND TWO ORAL PROTESTS AND ASSURANCES BY JAPANESE OF STOP-  
PING IN, UNAUTHORIZED OCCUPATION AND REFUSE TO VACATE GATE AND  
CHECK HOUSE IN SHANGHAI VOLUNTEER SECTOR BETWEEN TWO UNITS OF  
VOLUNTEERS, ARMING CIVILIAN JAPANESE RESERVISTS NOT IN UNIFORM TO  
POLICE DISTRICTS EAST OF Szechuan Road BETWEEN SHANGHAI  
TWO BRIGES AND WANGPOO RIVER CHINESE AND VOLUNTEERS CLASHED LAST  
NIGHT SEVERAL VOLUNTEERS WOUNDED AND JAPANESE FELL BACK TOWARDS  
VOLUNTEER SECTOR IN READING OR LINE, IN CHINESE CHINESE FIRE  
TWO AND RECEIVED BATTERY FIRE FROM VOLUNTEER CHINESE NOTIFIED  
VOLUNTEER CONSIDER THIS IF JAPANESE CONTINUED TO USE SETTLEMENT  
TO ISSUES FROM AND RETREAT INTO AND VOLUNTEERS SUPPORTED THEM BY  
THAT CHINESE WOULD DISREGARD NEUTRALITY AND CONSIDER THAT OTHER  
NATIONS WERE SUPPORTING CHINESE. DECISION OF MEETING: MUNICIPAL  
COUNCIL TO VISIT CONSULAR AND DIPLOMATIC REPRESENTATIVES WITH RE-  
QUEST THAT THEY VISIT JAPANESE HEADQUARTERS AND STRONGLY PROTEST AGAINST

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JUN 4 1932

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*Severin Apher*

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SHEET 2

ARMED JAPANESE PATROLLING AND USING INTERNATIONAL SETTLEMENT AS  
STATED ABOVE AND THAT MILITARY COMMANDERS IMMEDIATELY GIVE THEIR  
CONSULAR AND DIPLOMATIC REPRESENTATIVES DETAILED INFORMATION  
THIS WAS DONE BY THE BRITISH FRENCH ITALIAN AND US MILITARY  
PRESENT AT MEETING. OPINIONS OF MILITARY COMMANDERS OF NATIONS  
MENTIONED CONSIDER PRESENT ~~EXEEXT~~ FORCES SUFFICIENT UNLESS  
JAPANESE CONTINUE VIOLATING THEIR PROMISES AND THE NEUTRALITY OF  
THE SETTLEMENT 1555

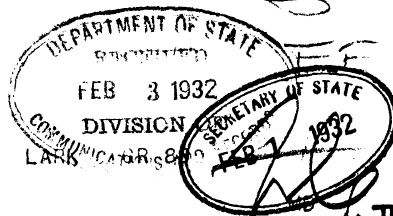
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0740 30 JANUARY 1932.

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



6055 HPG Z AGW V C6R Q DTJ LARK  
FROM FOURTH REGIMENT (USMC)  
ACTION CINC ASIATIC  
INFO OPNAV COMNAVY  
8630 CHINA PRESS REPORTS AGREEMENT FOR ARMISTICE FAILS HALT VICIOUS  
ALL NIGHT BATTLE JAPANESE PLANES YESTERDAY IN ADDITION BOMBING NORTH  
STATION AND RAILWAY LINE BOMB AND DESTROY HUGE COMMERCIAL PRESS BUILDING  
PAOTIAN ROAD CHAPEI TWO MORE JAPANESE AIRCRAFT CARRIERS ONE CRUISER  
ELEVEN MORE DESTROYERS EXPECTED ARRIVE HERE THIS MORNING PERIOD SETTLEMENT  
FACES GENERAL STRIKE AND SUSPENSION OF BUSINESS PERIOD THESE MEASURES  
PROPOSED BY CHINESE PROTEST AGAINST JAPANESE ACTION PERIOD POSSIBILITY  
FOOD SHORTAGE IN SETTLEMENT PERIOD NO ACCURATE LIST CASUALTIES COMBATANT  
AND NON COMBATANTS CHAPEI DISTRICT AVAILABLE TO PRESS 1108

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



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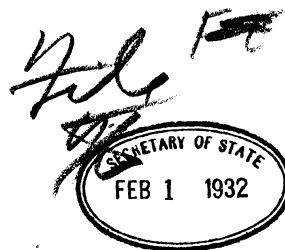
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By Milton O. Lustigson NARS, Date 12-18-75



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TO THE SECRETARY OF STATE  
FROM THE SECRETARY OF STATE  
SUBJECT: [Illegible]  
[Illegible text follows, mostly obscured by heavy black redaction marks.]

JUN 4 1932

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FROM : U.S.S. TRUXTON  
ACTION : CINC ASIATIC  
INFO : COMDEDIV 14 - COMYANGPAT - DESDIV 14 - OPNAV

0031 THE MESSAGE WHICH FOLLOWS IS FROM THE AMERICAN CONSUL-GENERAL  
QUOTE REFERENCE MY TELEGRAM OF 2 P.M. OF 27 JANUARY I HAVE FULLY  
DECIDED NOW THAT I AM JUSTIFIED BY THE PRESENT SITUATION IN REQ-  
UESTING THAT THE TOTAL LANDING FORCE FROM THE UNITED STATES VESSELS  
BE INCREASED AT THE EARLIEST POSSIBLE MOMENT. I BELIEVE THE PRESENT  
LOCAL CONDITIONS TO BE VERY DIFFICULT AND THEY ARE STEADILY GETTING  
WORSE UNQUOTE 1330

RECEIVED IN THE CODE ROOM AT 0300, 31 JANUARY 1932

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*Philipshman*

*May 19 1973*

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

FROM: U.S.S. TILSON  
ACTION: CORYANPAT  
INFO: CONDORON 5 CINC ASIATIC YANGPAT FOURTH  
OPNAV



0030 ALTHOUGH JAPANESE NAVAL VESSELS PRESENT MANKING HAVE NOT RELAXED  
VIGILANCE THEY CEASED TO FULLY MAN ALL BATTLE STATIONS TODAY AND  
ARE ONLY PARTIALLY CLEARED FOR ACTION. JAPANESE CONSUL AND STAFF  
ARE LIVING ON YOHYANG HARU MOORED AT NKK HULK WHICH IS GUARDED BY  
SMALL DETACHMENT OF JAPANESE FROM SHIPS PRESENT. MANKING IS QUIET AT  
PRESENT. PRESENT GOVERNMENT POLICY TOWARD JAPAN IS ONE OF UNQUALIFIED  
RESISTANCE TO ANY FURTHER ENCROACHMENT AS PUBLICALLY ANNOUNCED BY  
CHIANG KAI SHEK IN CIRCULAR TELEGRAM ISSUED TO ENTIRE ARMY TODAY  
CHINA WILL NOT HOWEVER DECLARE WAR. FOLLOWING INFORMATION CONSIDERED  
FAIRLY RELIABLE BY AMERICAN CONSUL GENERAL AT MANKING: TWO DIVISIONS  
GENERAL CHENGUNGSS TROOPS MOVED FROM ANHWEI TO SHANGHAI, THREE ADDI-  
TIONAL DIVISIONS GENERAL CHENMINGSSHO (PREVIOUSLY ROUTE ARMY SENT TO  
SHANGHAI AREA, SOOCHO) AND CHINKING STRONGLY FORTIFIED AS OUT POST  
FOR DEFENSE OF CHINKING. TROOPS IN HUBAI AND SOUTHERN PROVINCES OF THE  
WITHDRAWN TO THIS AREA, NUMBEROUS AIRPLANES FROM ANHWEI AND HONAN  
HAVE BEEN ASSEMBLED AT A POINT THIRTY MILES FROM MANKING. FOLLOWING  
CHANGES GOVERNMENT OFFICIALS: WANG CHINGMENG REPLACED SUN FO AS  
PRESIDENT EXECUTIVE YUAN, LIWENKAN REPLACED EUGENE CHEN AS MINISTER  
OF FOREIGN AFFAIRS, T.V. SOONG APPOINTED MINISTER OF FINANCE 2330  
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

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FROM; FOURTH REGIMENT USMC  
ACTION; CINC ASIATIC  
INFO; COMYANGPAT - OPNAV - USS TRUXTON

PRIORITY

TB

8631 CONTINUOUS SNIPING THROUGHOUT NIGHT AREA JAPANESE LINES AND EAST  
CHAPEL ZERO FOUR ONE FIVE HEAVY ARTILLERY AND SMALL ARMS FIRE OPENED  
GENR: AREA JAPANESE LINES ALONG NORTH SZECHUEN ROAD AND JAPANESE  
LANDING PARTY HEADQUARTERS HEAVY FIRING CONTINUED ONE HOUR PERIOD  
SEVERAL HUGE FIRES BLAZING ON NORTH SZECHUEN ROAD 0655

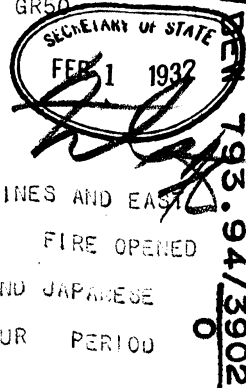
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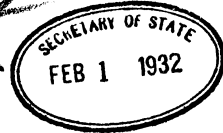
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FROM: THE SECRETARY OF STATE  
SUBJECT: [Illegible]

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

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FROM : OPNAV  
ACTION : CINC ASIATIC  
INFO : COMDR. 4TH REG. USMC - SOP SHANGHAI - COMYANGPAT

0030 IT IS THE DESIRE OF THIS GOVERNMENT THAT IN ORDER TO AVOID ANY CLASHES BETWEEN JAPANESE AND AMERICAN FORCES EVERY REASONABLE POSSIBLE MEANS BE TAKEN. THE SENIOR OFFICER OF THE DEFENSE FORCES SHOULD BE CONSULTED IN ALL QUESTIONS REGARDING THE DISPOSITION OF FOREIGN FORCES UNDER THE DEFENSE PLAN AT SHANGHAI. IN ORDER TO REMOVE ANY FRICTION THAT MIGHT ARISE BETWEEN AMERICAN AND OTHER DEFENSE UNITS, COMMANDERS OF UNITED STATES FORCES SHOULD HAVE UTMOST FORBEARANCE AND MAKE ANY CONCILATORY EFFORTS POSSIBLE.

SIMILAR INSTRUCTIONS TO THESE ARE BEING SENT BY THE STATE DEPARTMENT TO THE CONSUL GENERAL AT SHANGHAI 1800

DISTRIBUTION:

13..... (3)  
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FILE.

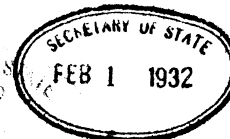


F/DEW  
793.94/3902  
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THIS COPY FOR STATE DEPARTMENT

*L.E. Kilgus* OSD JUN 19 1973  
Date: *Mar 19 1973*

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



FROM : CINC ASIATIC  
ACTION : FOURTH REGIMENT USMC  
INFO : COMYANGPAT - OPNAV - USS TRUXTON

F/DEW

0031 BECAUSE OF THE LOCAL DIFFICULT SITUATION THE AMERICAN CONSUL\*  
GENERAL HAS REQUESTED THAT THE LANDING FORCE FROM UNITED STATES  
VESSELS BE INCREASED. ARE YOU IN AGREEMENT WITH THIS AND IF YOU  
ARE WHAT ARE YOUR REASONS? WOULD A LANDING FORCE OF BLUEJACKETS  
BE SUITABLE AND WHAT NUMBER DO YOU THINK WOULD BE REQUIRED 1620

793.94/3902  
R

RECEIVED IN THE CODE ROOM AT 0500, 31 JANUARY 1932

DISTRIBUTION:

13.....ACTION	16.....
00.....	38.....
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March 1932  
1973

THIS COPY FOR STATE DEPARTMENT

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



DCR  
for  
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S

THIS COPY FOR STATE DEPARTMENT

6094 TIC

FROM

TO

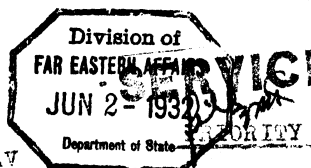
INFO

0031

4th REGIMENT USMC

CINO ASIATIC

COMVANGPAT--CORNAV



SERVICE CIPHER

SECRETARY OF STATE  
FEB 1 1932

AT 1400 ATTENDED CONFERENCE BETWEEN JAPANESE AND  
CHINESE COMMANDERS PRESENT JAPANESE ADMIRAL AND CONSUL GENERAL  
CHINESE GENERAL AULASHIN COMMANDING 78th DIVISION NATIONAL ARMY  
AND MAYOR OF SHANGHAI, AMERICAN AND BRITISH CONSULS GENERAL AND  
BRITISH AND AMERICAN COMMISSIONERS. DECISION: TO CONTINUE TRUCE  
UNTIL JAPANESE CAN OBTAIN AN ANSWER FROM TOKYO REQUESTING  
PERMISSION TO EVACUATE HONGKONG SALIENT AND RETIRE INTO INTERNATIONAL  
SETTLEMENT SOUTH OF BOOCHOW CREEK AND A NEUTRAL FORCE TAKE OVER  
SALIENT FOR PROTECTION OF JAPANESE LIVES AND PROPERTY THE CHINESE  
TO RETIRE WEST FROM WOOSUNG RAILROAD 2000 METERS UNTIL GOVERNMENT  
CAN ARRANGE TERMS. SALIENT: A LINE FROM HARBOR ROAD POLICE  
STATION NORTH OF HONGKONG PARK AND SOUTH ON WOOSUNG RAILROAD.  
OPINION OF BRITISH AND MYSELF FROM OBSERVANCE BENIGNER ATTITUDE  
OF COMBATANTS PARTICULARLY JAPAN THAT FIGHTING IS LIABLE TO BREAK  
OUT AT ANY TIME. BRITISH HAVE REQUESTED ANOTHER BATTALION FROM HONG-  
KONG. REQUEST AS NEAR 300 PARTIES AS POSSIBLE ON CHAUMONT WHICH  
WITH SHORTLY EMERGING HOME WILL GIVE ABOUT A BATTALION. YOUR 0031  
1930 BLUE JACKET LANDING FORCE COULD BE USED AS RESERVES AND  
EMERGENCY IN EMERGENCY. WAS ASSURED BY BOTH CHINESE MENTIONED ABOVE  
THAT NEUTRALITY OF OUR SECTOR WOULD BE OBSERVED ONLY ARBITRARY  
FROM ARBITRARY ACTIONS OF JAPANESE IN U.S. SECTOR. 2000

AND IN CODE ROOM IN SERVICE CIPHER AT 1050 31 JANUARY 1932

DISTRIBUTION

THIS COPY FOR STATE DEPARTMENT

00 004 01 10A 11 12 20 05 16 38 AIRCRAFT

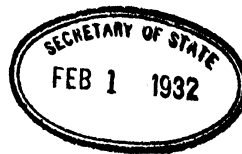
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793.94/3902

JUN 4 1932

FILED

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



FE  
JCP  
file

6197 NPG

XT YT

FROM: COMDT 162H  
TO : OPNAV

RECEIVED IN SERVICE CIPHER

0030 GOVERNOR GENERAL PASQUIER OF FRENCH INDO CHINA IN FRENCH  
CRUISER WALDECK ROUSSEAU DEPARTED MANILA FOR SAIGON 0725

ACTION 13  
104 11 16 19 20 38 05

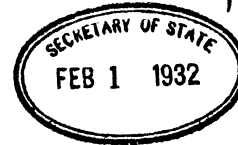
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1420 30 JANUARY 1932

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793.94/3902  
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THIS COPY FOR STATE DEPARTMENT

NAVY 0824

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



6387 WPG

FROM : USS TRUXTRON  
ACTION : OPNAV  
INFO : CINC ASIATIC - FOURTH REG. USMC - CONYANGPAT

F/DEW

✓ 0031 YOUR 0030 1700 DESTROYERS WILL BE ASSIGNED TO PROTECT TEXAS  
COMPANY PROPERTY UPON ARRIVAL EXPECTED EARLY MONDAY MORNING ONE  
FEBRUARY 1932

793.94/3902

RECEIVED IN THE CODE ROOM INSERVICE CIPHER AT 0815, 31 JANUARY 1932

DISTRIBUTION

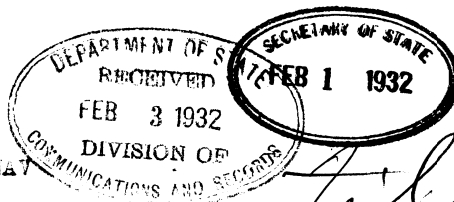
ACTION, 00, 10A, 11, 16, 30, 19, 20, 25, FILE

JUN 4 1932

THIS COPY FOR STATE DEPARTMENT

6267 PPG

FROM : U.S.S. TRUXTON  
ACTION : CIRC ASIATIC  
INFO : DESDIV 14 YANKEEAT OPNAV



F/DEM

793.94/3902

DESTROYERS

0030 ONE JAPANESE CRUISER AND FOUR CRUISERS ARRIVED THIS AFTERNOON. RELIABLY REPORTED THE SUFFOLK IS PROCEEDING SHANGHAI FROM HONG KONG. ARTILLERY FIRE THIS MORNING AND SHIPING BY CHINESE HAVE DRIVEN BACK JAPANESE IN CHAPEI AREA AND JAPANESE SET FIRE TO BUILDINGS IN NORTH SEECHUEN AREA THIS AFTERNOON IN EFFORT TO STOP SHIPING OF CHINESE. FIGHTING TODAY NOT AS HEAVY AS YESTERDAY. NUMBER OF CHINESE TROOPS IN SHANGHAI AREA ESTIMATED AS HIGH AS THIRTY THOUSAND. 2000

RECEIVED IN THE CODE ROOM INSERVICE CENTER AT 1830, 30 January 1932

DISTRIBUTION:

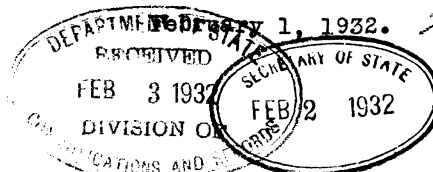
13(ACTION), 30, 60A, 10A, 11, 12, 33, 23, 20, 13, 11A

THIS COPY FOR STATE DEPARTMENT

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS



Telegram dated 5 p. m., February 1, from the Naval  
Attaché at Tokyo.

*92-0146*

Number of combatant ships in Yangtze brought to  
fifty with sailing today of seven destroyers and three  
cruisers from Yokosuka for that area.

(Telephoned by Commander McHugh of the Navy  
Department).

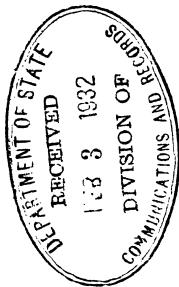
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NOTED



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



February 2, 1932.

Telephone Message from Lieutenant Chandler. 10:30 a. m.

February 2, 1932.

F/TFV

Despatch from U. S. S. SIMPSON at Hanking.

About two hundred Chinese soldiers are digging trenches along the Fukow side of the river above railroad station for a distance of about one-half a mile.

793.94/3902  
Y

This despatch was dated 4:00 p. m. February 2.

Y

~~SECRET~~  
NSA: OPD

2

-

7

REF/REF

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

XT

YT

ST

SECRETARY OF STATE  
FEB 2 1932

Division of  
FAR EASTERN AFFAIRS  
FEB 3 1932  
Department of State

FROM: USS SIMPSON

TO : COMYANGPAT

INFO: COMDESDIV 14-CINCASIATIC-YANGPAT-4TH REG.-OPNAV

0002 SEVERAL RIFLE SHOTS FIRED NEAR BUND VICINITY N.K.K.HULK AT  
2303 AND WERE FOLLOWED AT 2306 BY SHELL FIRE AT SHORT INTERVALS  
FROM TSUSHIMA WHICH WAS CONTINUED IRREGULARLY UNTIL ABOUT 2330.  
JAPANESE NAVAL SENTRIES ON N.K.K.HULK MAY HAVE FIRED RIFLE SHOTS  
FOLLOWED BY MACHINE GUN BURSTS, CAUSE UNKNOWN NO RIFLES OR MACHINE  
GUNS WERE SEEN COME FROM SHORE. NEITHER SHORE BATTERY NOR CHINESE  
MAN O WAR RETURNED FIRE. IF DESIRED BY CONSUL GENERAL WILL EVACUATE  
NATIONALS DURING DAYLIGHT. STILL IN COMMUNICATION STANDARD OIL  
COMPANY OF NEW YORK HILL. HAVE SHIFTED TO SAFER BERTH 0130

F/TFV 793.94/3902  
Z

DISTRIBUTION

RECEIVED IN CODE ROOM  
1412 1 FEBRUARY 1932

13.....ACTION

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FILE

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

OSD letter 1007 of 1971

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

Mar 19  
1973

U.S. GOVERNMENT PRINTING OFFICE: 1967 O - 348-000

TELEGRAM RECEIVED

REP

FROM

GRAY

Nanking via N. R.

Dated February 3, 1932

Rec'd 7:45 a. m.

Secretary of State,  
Washington.

PRIORITY.

February 3, 3 p. m.

My February 2, midnight.

Minister of Foreign Affairs handed me this morning a  
further note, dated February 3rd which reads as follows:

"Excellency: Referring to my note of yesterday's  
date replying to the 'Proposal of the Powers for  
cessation conflict, I have the honor to add that,  
inasmuch as the Powers are vitally interested in the  
situation in the Far East, not only in the general  
interest of peace, but in the interests of the sanctity  
of international agreements guaranteeing the sovereignty,  
independence and territorial and administrative integrity  
of China to which they are parties, the National Govern-  
ment of China earnestly hopes that the Powers should be  
present in the forthcoming negotiations as participants  
rather than <sup>as</sup> observers.

I avail myself, et cetera."

JOHNSON

ARL  
HPD

F/LS 793.94/3903

FEB 6 1932



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

*FE*

# TELEGRAM RECEIVED

HS

Shanghai

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

FROM

Dated February 3, 1932

Rec'd 6:47 a.m.

Secretary of State

Washington

February 3, 1 p.m.

STRICTLY CONFIDENTIAL.

*Division of  
FAR EASTERN AFFAIRS  
FEB 3 1932  
Department of State*

*F/L S 793.94/3904*

*793.94  
note  
893.102 S*

The Legation's telegram of January 30; 5 p.m.,  
and further reference to the Department's January 29, 6 p.m.  
and my reply of February 1, 11 a.m.

At the meeting on Sunday, referred to in my January  
31, 4 p.m., and January 31, 11 p.m., the Japanese Consul  
General said that the Hongkew area "meaning doubtless the  
area in the tongue" had been occupied because there were  
a large number of Japanese residents there and the Japanese  
authorities had reliable information that the Chinese in that  
area intended to attack them. The mayor replied that t  
was <sup>in</sup> ~~(7)~~ Chinese territory and it was for the Chinese au  
thorities to maintain peace and order there; that delegatio  
this duty to the Japanese navy could not be justified.

The Mayor asked whether this area was assigned to  
defense forces by the International  
ese/Defense Committee. Discussion followed concern  
whether the Japanese occupation had been explicit

FLE

# TELEGRAM RECEIVED

HS

Shanghai

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

Dated February 3, 1932

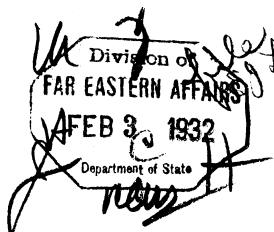
Rec'd 6:47 a.m.

Secretary of State

Washington

February 3, 1 p.m.

STRICTLY CONFIDENTIAL.



F/LS

793.94/3904

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and further reference to the Department's January 29, 6 p.m.,  
and my reply of February 1, 11 a.m.

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a large number of Japanese residents there and the Japanese  
authorities had reliable information that the Chinese in that  
area intended to attack them. The mayor replied that this  
was <sup>in</sup> ~~(2)~~ Chinese territory and it was for the Chinese author-  
ities to maintain peace and order there; that delegation of  
this duty to the Japanese navy could not be justified.

The Mayor asked whether this area was assigned to the Japan-  
defense forces by the International  
ese/defense Committee. Discussion followed concerning  
whether the Japanese occupation had been explicitly approved  
by the

FILED

07H

CORRECTED COPY

Page 2 - From Shanghai,  
dated Feb. 3, 1932  
Rec'd. 6:47 a.m.

by the defense Committee. The Japanese Consul General and Japanese Admiral stated that the Japanese forces were authorized by the defense Committee to protect the north and east side of the Settlement and also break down area as was necessary for the protection of foreign nationals. The British Consul General stated that neither he nor the American Consul General could accept the foregoing opinion as a correct statement of the position; that there was vagueness in the defense scheme and it would not do to press the point; that the defense Committee did not define exactly what military measures had to be taken and it was left to each force to decide <sup>what</sup> ~~(?)~~ from a military point of view were the measures necessary in that particular situation. The Japanese Consul General stated that the Japanese were not ordered by the Defense Committee to occupy the area they did. The Japanese Consul General and Admiral emphasized that the responsibility for the occupation rested entirely with the Japanese authorities and they were not seeking to share responsibility with any one else not for "one hour as a temporary measure". See also my telegram of February <sup>3</sup> 2 a.m. quoting first four paragraphs of protest of defense Committee.

Two.

HS

3-Feb.3,1932, from Shanghai, Rec'd 6:47  
a.m.

Two. In the light of this information and in view of subsequent developments it is my opinion that the Japanese military act on the night of January 28 with intention to overawe the Chinese for the purpose of carrying out their private purpose and that the statement that their action was a part of the general defense scheme of the settlement, while possibly <sup>technically</sup> ~~(?)~~ correct, was in reality <sup>a</sup> not their principle purpose. Repeated to the Department and Nanking for information.

CUNNINGHAM

WSB

9



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

TELEGRAM RECEIVED

REP

FROM

GRAY

Shanghai via N. R.

Dated February 3, 1932

Rec'd 3:15 a. m.

Secretary of State,  
Washington.

PRIORITY.

February 3, 2 a. m.

Following is text of first four paragraphs of formal protest by Defense Committee against certain activities by the Japanese naval landing party. Protest is dated February 2 and addressed to the British Consul General, Italian Charge d' Affaires and myself and is signed by all members Defense Committee except Japanese.

"One. In the international defense scheme, to which the Commander of the Imperial Japanese Naval landing party agreed, is included the following:

'It has been further agreed to divide the International Settlement and its vicinity into sectors, the commanders of which shall be responsible for assisting the police to maintain law and order for the protection of foreign lives and property, within the limits of their respective sectors.'

Two. Largely to meet the views of the Japanese Commander, the following safeguarding paragraph was added:

'No proceedings of the Defense Committee shall

F/LS 793.94/3905

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FEB 9 1932

793.94  
note  
893.1027

Division of  
FAR EASTERN AFFAIRS  
FEB 3 1932  
Department of State

REP

2- from Shanghai, Feb. 3, 2 a.m..

shall prejudice the right of any garrison commander to communicate and consult with his national, consular, or naval authorities present, nor prevent his independent action should he consider such necessary to conform with police regulations from higher authority. In case of independent action he will, however, inform the Chairman of the Defense Committee.' Particular attention is directed to the last sentence.

Three. When the defense scheme was drawn up, it was recognized that the individual foreign garrison commanders in Shanghai could not on their own authority agree on any comprehensive scheme. The form of agreement, therefore, contained the qualifications 'subject to confirmation and superior authority'.

At a meeting held on Friday, 27th November, 1931, specially by the Chairman of the Shanghai Municipal Council, to discuss what action should be taken in the event of serious complications arising out of the Sino-Japanese situation in Manchuria, Baron Shibayama, then commander of the Japanese Naval landing forces, stated that he concurred in the defense scheme, subject to approval by his Commander in Chief. The latter had referred to Japanese Government and at the time no reply had been received. He would, however, act in any emergency in accordance with the provisions of the scheme. Here again, particular attention is called to  
the last

REP

3. from Shanghai, Feb. 3, 2 a. m.

the last sentence.

Two. Following is resume of remaining paragraphs of protest.

The members of the Defense Committee protest against activities of Japanese landing party in sectors other than their own. These activities are:

(a). Posting of detachments in mills out of proportion to requirements of security;

(b). Active patrolling. The Defense Committee states it is impossible from a military point of view for two or more individuals to control action in any one area particularly when any one fails to notify the others.

Protest states that activities complained of apart from causing the ill-feeling between nationals lead to formulation of Chinese opinion against foreigners generally. Feeling by British and American troops and volunteers is acute and if such practice continues impossible to guarantee restraint by lower ranks who cannot be expected to maintain calm judgment for prolonged period in face of extreme provocation. Protest concludes by stating that no serious situation has arisen in British or American sectors involving loss of Japanese lives or damage to property and that patrolling which is being carried out by Japanese is entirely unnecessary in the circumstances; also that emphatic protests have already been made to Japanese commander without any result up to date.

Three.

REP

4--from Shanghai, Feb. 3, 2 a. m.

Three. Attached to protest is annexure of five points as follows:

One. Presence in mills in American sector north of Penang Road of at least five hundred Japanese marines with not less than twelve machine guns. The approach of this force is definite infringement with regard to defense and a direct indication that Japanese intend to use this force offensively taking advantage of ability to maneuver in International Settlement.

Two. On January 1st, in British sector, two unarmed Chinese coolies bayonnetted by Japanese marines witnessed by Municipal police Shanghai.

Three. <sup>Barricade</sup> ~~With~~ <sup>American</sup> two machine guns trained on Chapci in ~~civic~~ sector close to United States marine post. Japanese official in charge intimated that United States marine post was in line of fire of Japanese machine guns and Americans must move.

Four. Daily passage of Japanese lorry patrols past headquarters of American marines with rifles and machine guns pointed at marines.

Five. Wanton shooting of two Chinese boys on evening February 1st apparently in Italian sector. (End of protest).

Four. Protest was communicated by me today to Japanese Consul General and I urged him to bring it to the attention of Commander in Chief of Japanese navy in Shanghai at earliest possible moment.

Repeated to the Legation and Nanking.

CUNNINGHAM

HPD

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

1-128  
PREPARING OFFICE  
WILL INDICATE WHETHER

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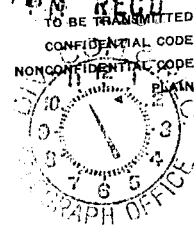
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TELEGRAM SENT

Department of State

Washington,

February 3, 1932.

1-128



AMERICAN CONSUL FEB 3 32

SHANGHAI (CHINA).

Urgent

Repeat text or substance of your February 3, 2 a.m.,

to American Embassy, Tokyo.

FEB 3 32

1/3905

793.94/3905

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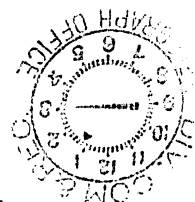
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FE:RSM:EJL FE

Enciphered by .....

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

Index Bu.—No. 60.



U.S. GOVERNMENT PRINTING OFFICE: 1928

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

## DOCUMENT FILE

### NOTE

SEE 393.115 Texas Company/6 FOR tel. 11am

FROM Shanghai ( Gunningham ) DATED Feb. 2, 1932.  
TO NAME \* 1-1127 o r o

REGARDING: Texas Company -  
Firing by Japanese destroyer on February first,  
on their installation on Gough Island. United  
States Navy and Japanese Consul General notified.

793.94/3906

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

MAM

GRAY

SHANGHAI

Dated February 2, 1932

Rec'd 9:48 p.m.

Secretary of State

Washington

PRIORITY

February 2, 11 a.m.

The Texas Company informs this office that shortly after six a.m. February first Japanese destroyer fired, intent upon taking effect, on their installation on Gough Island. Have had no opportunity to secure the details. The United States Navy has been notified. The Japanese Consul General has been notified.

Repeated to the Legation and Nanking.

OX

CUNNINGHAM

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

## DOCUMENT FILE

### NOTE

SEE 393.115 China National FOR Tel. # - 10 p.m.  
Aviation Corporation/3 Feb. 2, 1932.

FROM Shanghai ( Cunningham ) DATED Feb. 2, 1932.  
TO NAME 1-1127 470

REGARDING: China National Aviation Corporation-  
Aviation- Impossible to continue under sole protection  
of China. Fifty per cent of passengers are American  
business men. Desirable from American standpoint  
that some method be devised for providing government  
subsidy for maintenance of this service.

793.9473907



mem

GRAY

SHANGHAI

Dated February 2, 1932

Rec'd 6:33 p.m.

Secretary of State

Washington

PRIORITY

February 2, 10 p.m.

China airways developing to be important means of communication. Impossible to continue under sole Chinese protection. I am assured that fifty per cent of passengers are American business men, twenty-five per cent of mail is American and fifty per cent foreign. Without verifying foregoing details would urge that it is desirable from the American standpoint that some method be devised for providing government subsidy for maintenance of this service. It is a valuable feeder to American trade in China.

PFO

CUNNINGHAM

OX

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

DEPARTMENT OF STATE

RECEIVED DIVISION OF FAR EASTERN AFFAIRS

JAN 30 1932

FEB 3 1932

SECRETARY'S OFFICE

DIVISION

SECRETARY OF STATE

JAN 30 1932

January 30, 1932.

THE UNDER SECRETARY

JAN 30 1932

DEPARTMENT OF STATE

Mr. Secretary:

I suppose that you will have noticed from the press despatches that the radio station at Shanghai has been put out of commission by the cutting or breaking of the transmission lines in Chapei.

(NOTE: This would not necessarily render the station unable to function but would mean that messages must be handled at the station itself, or something of the sort -- the station being several miles away from the center of the International Settlement.)

793.94  
note  
893.102-S  
893.74

SKH

MAY 11 1934

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F/LS 793.94/3908

FE:SKH/ZMF

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

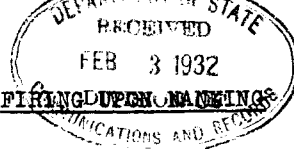
DEPARTMENT OF STATE

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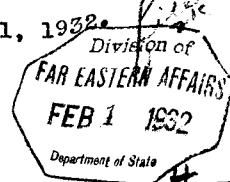
DIVISION OF FAR EASTERN AFFAIRS

FEB 1 - 1932

SECRETARY'S OFFICE



February 1, 1932



Message telephoned by Commander Chandler,  
Navy Department, at 11:55 a. m.

U.S.S. SIMPSON

NANKING 11:30 p.m. February 1.



Japanese vessels continue firing on Nanking. Have  
shifted berth to get out of line of fire. Firing continues  
intermittently. No warning was given.

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893.102-Nanking

F/LS 793.94/3909

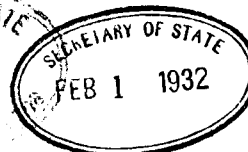
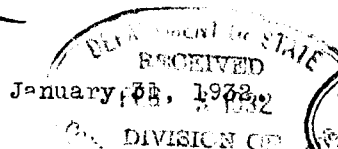
I have shown this to Dr. Bucher,  
told him that it would gravely  
interfere with our efforts in good  
officers, and should be stopped -  
It is cabling at once

1 H2

MMH/REK  
M. M. H. 1/1/32

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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



The following is a White House statement:-

"A conference was held by the President today with the Secretaries of State, War and Navy, Under Secretary of State Castle, Chief of Staff General MacArthur, and Chief of Naval Operations Admiral Pratt. The request of the American Consul General Cunningham and our naval officers at Shanghai for still further protection of American citizens in the International Settlement at Shanghai was considered.

Directions have been given to send to Shanghai the 31st Regiment of about 1000 men now at Manila together with 400 Marines on the transport Chaumont leaving tomorrow. The cruiser Houston and 6 destroyers left Manila this morning for Shanghai.

With these additions to the marines already there the total American forces in the Settlement will number to about 2800. As soon as conditions permit the troops will be returned to Manila.

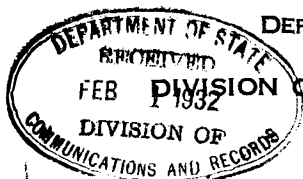
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893.0146



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 29, 1932.

Shanghai Situation.

SKH:

On January 23 the Japanese Admiral, in conference with the Chairman and Secretary General of the Shanghai Municipal Council and the Japanese Consul General, stated that he would take no action in the Settlement without first consulting with the Settlement authorities.

On January 25 Mr. Cunningham reported confidentially that he believed the Japanese would not hesitate to disregard this agreement if it suited their purpose.

On January 27 Mr. Cunningham reported that the Japanese Consul General had promised to inform him and the Municipal Council of the Chinese reply and to give advance notice of any military action to be taken. The Japanese Consul General further stated that no action would be taken until 40 hours after the delivery of an ultimatum.

At a meeting of Consuls on the afternoon of January 28 the Japanese Consul General informed his colleagues that he had received a satisfactory reply from the Mayor and that if the Chinese carried out their promises a clash would be avoided.

On January 29 Mr. Cunningham reports that the Japanese Navy occupied Chapei about midnight, on the ground of protection of a large number of Japanese in Chapei, notwithstanding an assurance given to the Consul body

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FEB 1 1932

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

- 2 -

at four o'clock on January 28.

*Rm*  
FE:RSM:EJL

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 29, 1932.



THE SHANGHAI SITUATION.

China's Appeal to the United States,  
Great Britain and France for  
Assistance on the Basis of the Nine  
Power Treaty and the Kellogg-Briand  
Pact.

Mr. Johnson, in his No. 124, January 26 (paragraph 3), states that he has received the impression that the Chinese would like to merge the settlement of local issues at Shanghai with the more general controversy regarding Manchuria in the expectation that it may now prove possible in some way to involve the foreign powers in the area of the settlements where such extensive foreign commercial interests are at stake. He adds:

"I have therefore some concern lest the Chinese precipitately adopt a policy predicated upon bringing about in the Shanghai area some form of concrete intervention which they could not expect to effect elsewhere. I furthermore cannot wholly escape the impression that the Chinese are somewhat over emphasizing the immediate dangers of the domestic situation in the belief that this will prove an effective method of persuading the powers principally interested to some act of mediation which will relieve the Chinese Government of the onus of meeting alone at this time the questions along the China Coast of which the Japanese appear determined to demand settlement."

In his 135, January 27 (paragraphs 4 and 5), he states:

"Four. In so far as Japanese were threatening to take independent action against Chinese within the Settlement (if they did so threaten)

793.94/3912

FEB 1 1932

FILED

- 2 -

threaten) we should make protest at Tokyo against such threats and such actions.

"Five. But I think we should move warily lest we find ourselves involved on the one side or the other in a quarrel not our own."

Nanking's No. 18, January 29, and developments at Shanghai and Geneva indicate that the Chinese Government is preparing to move in the direction anticipated by Mr. Johnson. In considering the oral request of the Chinese Government, reported in Nanking's No. 18, we should have in mind Mr. Johnson's comments quoted above and the fact that the request was made orally to the British and French Governments as well as to our own.

*RJM*  
FE:RSM:EJL





(NOT FOR THE PRESS)  
(FOR DEPARTMENTAL USE ONLY)

Department of State  
Division of Current Information

MEMORANDUM OF THE PRESS CONFERENCE, MONDAY, JANUARY 25, 1932.

EL SALVADOR.

At the press conference this morning Secretary Stimson read the following press release which was issued to the correspondents later in mimeographed form.

"A telegram from Chargé d'Affaires William J. McCafferty, dated 6:00 p. m., yesterday, reports that the situation with respect to communistic disorders remains unchanged. While the threatened attack on the capital scheduled for Saturday night did not occur, there were many disturbances in the section of the country from Santa Tecla, 8 miles from San Salvador, to Sonsonate in the north. Assassinations of prominent people have taken place. An Italian citizen was reported killed and Italian property burned at Juayua. General Martinez stated, however, that the authorities had the situation completely dominated. A body of a few hundred civilians has been armed and is assisting the Government by patrolling the capital at night. Martial law has been declared in the entire country."

SINO-JAPANESE CONFLICT.

With regard to the situation in Shanghai, the Secretary said he had nothing which he could give out for attribution or quotation but that he would be pleased to give the correspondents some information for BACKGROUND ONLY. The following therefore IS NOT FOR ATTRIBUTION TO THE DEPARTMENT OR TO ANY OF THE OFFICIALS THEREOF: We have an entirely different situation, so far as this country is concerned, in Shanghai from what we have in Manchuria. Our rights in Shanghai go back to the treaty which China made with us in 1844, and which was similar to the treaties which China made with Great Britain in 1842 and in 1843. Under that treaty China opened the ports of Shanghai,

Canton,

793.94/3913

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893.1072

-2-

Canton, Amoy, Foochow, and Ningpo to foreign trade and permitted American citizens to go in, to live there and to carry on their business. After that China set aside some land at Shanghai, which became the nucleus of the so-called International Settlement. One tract of land was set aside for British subjects but the title thereto did not pass to Great Britain. Another tract of land was set aside for the Americans to live in and to carry on their business. A third tract was set aside for the French. These three areas remained parts of China and were simply set aside for the use of the Americans, British and French. The land at that time was swampy and of little value. The fact, however, that the Americans, British and French were allowed to live there freely and to trade caused those areas to develop until they were by far the most valuable part of Shanghai. At the present time Shanghai consists of the native area known as the Municipality of Greater Shanghai, the so-called International Settlement, and a French Concession. So far as the International Settlement is concerned, the one in which we have rights, those rights grew up gradually by a system of evolution worked out from time to time by regulations which were made and agreed upon between the local Chinese officials and the local American, British and other foreign consular officers at Shanghai and approved in some instances by the authorities at Peking. In 1869 the so-called Shanghai Land Regulations were finally worked out and those Land Regulations have become what might be called the charter of the International Settlement of Shanghai. Those regulations provided for a board of municipal governors. The Secretary said he did not know their exact titles, but it is a municipal board chosen by the people of the International

-3-

al Settlement, which Settlement includes the two areas which were at first set aside for the Americans and for the British, respectively. One of the members of the municipal board is an American, two are Japanese, six are British, and five are Chinese. Gradually, through a sort of evolution, there has grown up this charter city under international control. It is not only British and American, but as time went on, other nationals were permitted to live therein through most-favored-nation treaties. Shanghai has a very efficient police force consisting not only of Chinese but of Indian Sikhs, white Russians, et cetera, whose officers are largely white. At the time of the so-called students' riot of May, 1925, the police commissioner was an Englishman. The important thing to be remembered, a thing which the correspondents may comment on but which must not be attributed to the Department or to the Secretary of State, is the situation presented if the Japanese are talking about landing troops in the International Settlement to protect their nationals from injury that would otherwise come to them from lack of police protection. Where a nation finds that the police or police control or the police protection is so slack in another country where this outside nation has nationals residing and lawfully doing business and where the lives of its nationals and their property are being jeopardized, that outside country lands its forces and protects them or gives them the protection which they do not receive from the country wherein they reside. That is a thing which has been done widely. It has been done by this country in parts of Central America and it has been done by other countries in all parts of the world. That is the reason given by the Japanese for the use of their troops in Manchuria, where otherwise they had no

legal

-4-

legal right to be. But when you come to the International Settlement, if Japan is saying that the authorities of this area are unable to give protection to Japanese nationals by its very efficient force of police under an international city government, we have a sharply different situation. The government of the International Settlement of Shanghai thus far says it is quite competent to afford protection and for that reason the situation for Japan to face, if she lands troops in the International Settlement, is sharply different from the situation in Manchuria.

Referring to press despatches from Shanghai a correspondent asked if the Secretary thought that the intentions of the Japanese so far have been to seize and police the Chinese section rather than the International Settlement. The correspondent said he asked that because the Japanese Consul General is reported to have apologized to the authorities of the International Settlement for an incident which took place on the boundary in which two Chinese police belonging to the International Settlement were involved, one of which was killed. The Secretary in reply said that, while it had not been confirmed in official reports which had reached him, the press reports indicated that Japanese officers had gone inside of the International Settlement to take some action against two Chinese newspapers. If that was done it would appear to be something to be looked into. The Secretary said furthermore that he thought it was true that the Japanese were receding a little from the first position which they took, unless their first position has been misrepresented by the press. A correspondent said that according to a despatch from Paris yesterday it appears that the Japanese have not claimed that their citizens were in danger but that they merely wanted to occupy the Chinese military establishment

at

-5-

at Shanghai and to break the boycott. Mr. Stimson in reply said that, providing what the correspondent said is correct, it would make quite a difference in the situation. While the Japanese may have the ulterior purpose of breaking the boycott, they say at the same time that the boycott was not purely economic but was conducted by the use of violence and force against Japanese nationals and against their property. If our nationals were being treated in that way, the fact that they were so treated because China was also trying to create a boycott would not excuse them from giving the other country the right to protect its nationals if they were not afforded police protection by the local authorities. It is not quite fair to say that the Japanese are doing this solely to break the boycott. Japan claims that her nationals have been treated with violence, some have been killed, and many have been injured through lack of police protection by China, and she says furthermore that not only has China failed to give the police protection but has actually stirred up the Chinese people to do acts of violence.

A correspondent asked if the Secretary had had any talks with the Japanese informally or otherwise about the situation in Shanghai. The Secretary in reply said that he was away from Washington on Saturday but that he did not think there had been any conversations with the Japanese regarding the situation. A correspondent then asked if Ambassador Debuchi was expected to call at the Department today. He was informed in reply that the Japanese Ambassador is in Cuba.

A correspondent asked where the boycott was felt principally, in the International Settlement or the native city. Mr. Stimson in reply said he could only talk from his personal observations, which might not be very accurate.

It

-6-

It appeared to him, however, that the International Settlement is the part of Shanghai where all the big business houses are located. The Bund, which is the levee along which ships land, is in the front of the big business houses. The Chinese section of Shanghai is typically Chinese, being distinctly crowded with stores and establishments of one sort or another. The Secretary said that the French Concession, as he recalled it, was largely a residential section. A correspondent observed that the Japanese already had a force of 1,000 marines in the International Settlement. In reply the Secretary said that was true but that we also have about 1,200 or 1,300 marines there. They were left over from the time of the civil war when a large army marched on Shanghai and all the nations landed troops to protect the Settlement. That was a state of civil war and a wholly different situation.

A correspondent asked if any instructions had been sent to Ambassador Forbes concerning the situation. The Secretary replied in the negative.

M. J. McDermott

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 1, 1932.

Mr. Secretary:

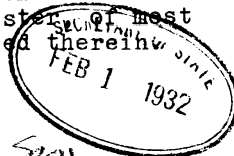
Herewith a memorandum prepared by Mr. Hamilton at the very moment when you were talking with London, on the subject of co-operation in tendering good offices.

You have already taken care, in your conversation with the British Prime Minister, of most of what is suggested therein.

FEB 1 - 1932

SECRETARY'S OFFICE

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

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FEB 1 - 1932

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS SECRETARY'S OFFICE  
FEB 3 1932  
February 1, 1932  
DIVISION OF  
SHANGHAI SITUATION

SECRETARY OF STATE  
FEB 1 1932

793.94  
note  
893.102-3

Reference to Tokyo's telegram No. 31, January 31,  
9 p. m., in which the Japanese Minister for Foreign Affairs  
requests that the United States use its good offices to  
induce the Chinese troops not to bring up further reenforce-  
ments and to withdraw the troops now in Shanghai to a safe  
distance to avoid clashes. The Minister for Foreign Affairs  
laid especial stress upon his request in this connection.  
Reference is made also to telegrams from Nanking, No. 21 of  
January 30, 12 p. m., and No. 23 of January 31, 10 p. m.,  
relating to a note addressed by China to the signatories  
of the Nine Power Treaty in reference to the Shanghai situation.

F/LS  
793.94/3914

It is believed that the indication given that both China  
and Japan are especially concerned over the Shanghai situation,  
particularly the request of the Japanese Foreign Minister  
that the United States use its good offices to induce the  
Chinese not to move up their troops at Shanghai, offers a  
favorable opportunity for the United States, Great Britain and  
France to offer to China and Japan the exercise of friendly  
good offices in bringing about a settlement of the Shanghai  
situation.

The United States, Great Britain and France, by  
virtue of their substantial and special interests at  
Shanghai are the logical Powers to make to China and Japan  
an offer of friendly good offices.

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FEB 11 1934



- 2 -

It is believed that the offer of such friendly good offices should be limited for the present to the Shanghai situation and that no mention be made of the general Manchuria situation, although it is to be hoped that the acceptance by China and Japan of friendly good offices to bring about a settlement of the Shanghai situation might ultimately lead into direct negotiations between China and Japan in reference to the whole Manchuria question.

As to procedure, it is suggested that the British Foreign Office be consulted by telephone in the matter and that it be suggested that the British Foreign Office take up the matter immediately with the French Foreign Office. In case the British Foreign Office is agreeable, similar instructions should be sent by the American and British Governments to the American and British Ambassadors at Tokyo, who should call together, if possible joined by their French colleague, upon the Japanese Minister for Foreign Affairs, and sound out whether Japan would be agreeable to an offer on the part of the United States, Great Britain and France to exercise their friendly good offices in bringing about a settlement of the Shanghai situation.

The Chinese Government might be sounded out in a similar manner at the same time, although it is believed that the Chinese would accept such a proposal and that it is not essential that the Chinese Government be sounded out in this matter until after the Japanese Government makes

known

DECLASSIFIED: E.O. 11652, 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 -

known its attitude. There is attached a memorandum suggesting the basis of a conversation with the British Foreign Office on the matter.

MMH/REK  
*MMH*

*MMH*  
*Approved*  
*OK*

RECEIVED

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS  
FEB 1 - 1932  
SECRETARY'S OFFICE  
February 1, 1932.

SUGGESTED BASIS OF CONVERSATION WITH BRITISH FOREIGN OFFICE  
IN REGARD TO THE UNITED STATES, GREAT BRITAIN AND FRANCE  
OFFERING THEIR FRIENDLY GOOD OFFICES TO JAPAN AND CHINA IN  
BRINGING ABOUT A SETTLEMENT OF THE SHANGHAI SITUATION.

SECRET  
FEB 1 1932

Ambassadors

The American Ambassador at Tokyo reports that the Japanese Minister for Foreign Affairs has requested, with especial stress, that the United States use its good offices to induce the Chinese troops not to bring up further reinforcements at Shanghai and to withdraw the troops now at that place to a safe distance to avoid clashes. It is presumed that similar request was made of the British and French Ambassadors. The American Government believes that this request of the Japanese Foreign Minister presents a favorable opportunity for the United States, Great Britain and France to sound out the Japanese Government as to whether it would be agreeable to an offer on the part of these three Powers to extend their friendly good offices to bring about a settlement of the Shanghai situation. The substantial and special interests of the United States, Great Britain and France at Shanghai seem to make these three Powers the logical ones to make such an offer to extend their good offices. It is believed that the offer of friendly good offices should be restricted to the Shanghai situation as Japan would probably be more likely to accept an offer made on that basis, although it would be hoped

F.W.  
793.94/3914

- 2 -

hoped that any negotiations initiated between China and Japan as a result of the extension of such friendly good offices might conceivably later be broadened to include the whole Manchuria question.

The American Government suggests that if the British Government concurs in these views, the British Government take the matter up immediately with the French Foreign Office. Also that the British and American Governments immediately send out instructions along these lines to their Ambassadors at Tokyo instructing those Ambassadors jointly to call upon the Japanese Minister for Foreign Affairs and inquire informally whether the Japanese Government would be agreeable to an offer made by the American and British Governments to exercise their friendly good offices in bringing about a settlement of the Shanghai situation. It would be hoped that the French Government would instruct its Ambassador at Tokyo to join the American and British Ambassadors in making this inquiry.

*mm/Ram*  
LMCH/RRK

COPIES SENT TO

U.N.I. AND M.I.D.

TELEGRAM RECEIVED

REP

FROM

GRAY

Shanghai via N. R.

Dated February 3, 1932

Rec'd 6:47 a. m.

Secretary of State,  
Washington.

PRIORITY.

February 3, 3 a. m.

Refugees continued to pour into the Settlement all day. The Hongkew and Yantzepoo districts are being rapidly evacuated despite the fact that a truce was supposed to prevail, sporadic rifle and machine gun fire continued throughout the day. At 12 o'clock the (?) and Yantzepoo districts were closed. Aeroplanes began to reconnoitre Chinese positions at 2:10 p. m. without any cause firing occurred between heavy guns on the Japanese ships and field peices ashore near the rifle butts in an attempt to smash a Chinese battery located near Markham Road. During the last two days no effort has been made by police to patrol sections of Settlement under rifle and machine gun fire from the opposing sides. For the first time since Japanese forces seized control of the Chapei and neighboring districts, Ronius took over command of the area usually patrolled by the

Municipal

F/TFV 793.94/3915

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FEB 10 1932

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893.516  
893.515  
393.1162

REP

2- from Shanghai, Feb. 3, 3 a. m.

Municipal Council police from Hongkew station. These armed independent civilian Japanese patrols continued to hold up pedestrians in the Hongkew district. These irregulars, as well as the Japanese marines are still treating the terrorized civilians practically with little or no consideration, bayonetting or shooting with little compunction. There is no doubt that the Japanese are being subject to almost continuous attack by snipers, a gun nest on the top of a building on Seward Road having been smashed by the Japanese last night. It is assumed that there are no less than sixty thousand refugees in the Settlement.

The Japanese have no less than ten headquarters located throughout the Hongkew and Yangtzepoo districts. The Japanese naval marines maintain no less than 38 machine guns.

The 19th Route Army of some three divisions numbering thirty thousand strong, are scattered between Shanghai and Soochow. The Chinese residents of Shanghai are showing a good deal of patriotism in coming to the assistance of the Chinese army in their defense against Japanese invaders. Special patriotic societies contributing

REP

3- from Shanghai, Feb. 3, 3 a. m.

contributing money and food supplies to assist the Chinese soldiers. An anti-Japanese "dare to die" corps has been formed to support the 18th Route Army. Various anti-Japanese patriotic societies are being formed. Some of these are now functioning for defense purposes. These societies are issuing circulars exhorting the people to come to the defense of the country.

All Chinese banks remained closed but were expected to be opened on Wednesday. (?) Chinese bankers, the breaking of today's truce may influence them to remain closed. There is a great demand for silver and most of the Chinese banknotes are discounted anywhere from ten to twenty percent.

Although they declare in the Japanese mills are out of work, so far no major labor disturbances occurred.

As a result of the fighting Chapei, all hotels and lodging houses in the Settlement and French concession are packed with refugees. The increase in charges has been one hundred percent.

The American Saint Luke's Hospital in the Hongkew District was given considerable trouble by the Japanese patrols today, who insisted on entering the hospital and searching

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

REP

4- from Shanghai, Feb. 3, 3 a.m.

searching for snipers. They also prevented the hospital nurses and cooks from coming to their duties to the hospital from their homes nearby. This matter was subsequently adjusted by this Consulate General. Further fighting is expected.

Repeated to the Department, the Legation and Nanking.

CUNNINGHAM

KLP

HPD



FE

# TELEGRAM RECEIVED

REP

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

SHANGHAI

Dated February 3, 1932

Rec'd 9:15 a. m.

FEB 10 1932

Secretary of State,  
Washington.

February 3, 4 p. m.

Standard Oil Company and Texas Company having

received inquiries from Chinese military concerning sale  
to them of aviation gasoline for delivery at Hunghao  
Airdrome, Shanghai, and also at Hangchow, Chekiang.

British Consulate General has informed me that British  
Oil Company has received similar inquiries but British  
Consulate General considers it most unwise at the  
present time and has so informed British Company.

British Consulate General considers that sale of  
gasoline to Chinese military would be unwise as Chinese  
~~might not~~ hesitate to drop bombs in the

Settlement by accident in retaliation for Japanese  
aerial attacks, or for purpose of destroying Japanese  
base or other Japanese property. British Consulate  
General states it will inform British Oil Company  
that it cannot fill such orders at the present time,  
but has no objections to sale of gasoline to (?) foreign  
interests

F/TFV 793.94/3916

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FEB 10 1932

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793.94/3916  
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REP

2- from Shanghai, Feb. 3, 4 p. m.

interests seeking authorization from Foreign Office.

I do not wish to restrain the American firms, but wish to inform the Department as to the dangers in the situation as expressed above. Furthermore, it would probably be provocative of an attack should it become known to the Japanese that large quantities of aviation gasoline were in the hands of the Chinese military.

I should dislike to interfere in any way with the commercial aviation particularly the China Airways which is very useful means of communication. It should also be kept in mind that American companies are in greater favor with Chinese military and naval aviation circles than are British or Russian companies. Also even if British and Americans refuse supplies this would, if stock available, insure to benefit through the Russian companies.

It is understood that British and American oil companies have sold fuel oil to Japanese naval vessels in Shanghai.

The Department's instructions will be appreciated.

Repeated to the Legation and Nanking for information.

CUNNINGHAM

RR

WSB

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

TELEGRAM SENT

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department  
OR  
Charge to  
\$

Department of State

1-138  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Washington,

February 4, 1932.

This cable was sent  
It should be sent  
being sent before  
Code.  
before

793.94/3916

AMERICAN CONSUL,

SHANGHAI (China).

Your February 3, 4 p.m., in regard to sale by American and British oil companies of aviation gasoline to Chinese military.

note  
893.102 S  
893.103 63

Department perceives good arguments both pro and contra. It is Department's desire that there be as full cooperation as may be possible between British and American action, both official and unofficial in such matters. On this particular problem you should, after consultation with the American military authorities, attempt to work out with the British Consul General a common course.

Department notes your statement that it is understood that British and American oil companies have sold fuel oil to Japanese naval vessels at Shanghai. You should bear in mind the principle of non repeat non-discrimination; also that there is under American civil law nothing in prohibition of such sale. If you and your colleagues decide that such sales are inadvisable, it would seem that action taken by you toward prevention must be based on other than legal grounds; also that an effort to <sup>dipnadi</sup> prevent should

793.94/3916

Enciphered by .....

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

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

1-138  
 PREPARING OFFICE  
 WILL INDICATE WHETHER

# TELEGRAM SENT

1-138  
 TO BE TRANSMITTED  
 CONFIDENTIAL CODE  
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 PLAIN

Collect  
 Charge Department  
 OR

## Department of State

Charge to  
 \$

- 2 -

Washington,

apply to sales to Japanese as well as to Chinese. Depart-  
 ment doubts the force of the British Consul General's  
 apprehension as reported, but you are in a better position  
 to judge. Furthermore, if Chinese can obtain gasoline  
 supplies from Russians, what advantage is there to be  
 derived in relation to preventing possible aerial attacks  
 by Chinese through <sup>avoiding</sup> ~~preventing~~ sale to them of gasoline  
 from American and/or British firms?

In connection with this whole problem, might it not <sup>be</sup>  
 be arranged either to <sup>decline to sell</sup> ~~prevent sales~~ so long as fighting  
 continues both to Chinese and to Japanese or to secure  
 promises from both Chinese and Japanese that there shall  
 be no <sup>repeat no</sup> flying their <sup>military</sup> planes over or in close proximity to  
 the Settlement?

Keep in mind particularly the principle of cooperation  
 with your British colleague and the principle of impartiality  
 as between Chinese and Japanese.

Repeat to Nanking and Legation <sup>as depts. no 20 and 41 respectively</sup>

*Stinson*

FE:SKH/ZMF

*m.m.H*  
 FE  
*SKH*

28  
 860, 4, 2072  
*002*

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

## DOCUMENT FILE

### NOTE

SEE 125.3974/99 FOR Tel.# 3-1 pm  
(Sino-Japanese series)

FROM Switzerland (Wilson) DATED Feb. 3, 1932

TO \_\_\_\_\_ NAME \_\_\_\_\_ 1-1172 ...

REGARDING: Sino-Japanese dispute  
To what account shall telegrams relating to -- be charged?

793.94/3917

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

M

GRAY

GENEVA

Dated February 3, 1932

Rec'd 8:35am.

Secretary of State

Washington.

3, February 3, 1pm.

Your unnumbered February 2, 1pm.

To what account shall telegrams relating to  
Sino-Japanese dispute be charged?

WILSON

WHA

ARL

CJH-

TELEGRAM RECEIVED

Peiping via N/ R.

Dated February 3, 1932

FROM

Rec'd. 6:17 a.m.

Secretary of State,

Washington.

184, February 3, 11 a.m.

Following from American Consul at Hankow:

February 2, 4 p.m.

One. The Hankow Consular body held a meeting yesterday to discuss the question of possible danger to Wuhan from a Communist attack. The meeting was attended by all career Consuls except the Japanese. The conclusion reached by the meeting was that consideration of safety measures immediately desirable because of the increase in strength and boldness of Communist forces whose obvious aim is the capture of Wuhan, and because the release of some of the Government troops here is deemed to be questionable. The point was made that in former periods of emergency evacuation was the aim of most safety plans, but that now the situation is somewhat changed in that the threat confronting us is from outside. The British Consul General stated that the Public Safety Bureau had (end part one)

PERKINS

JHR

KLP

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

GRAY

Division of  
FAR EASTERN AFFAIRS  
FEB 3 1932  
Department of State

F/LS 793.94/3918

FILED

FEB 10 1932

793.94  
notes  
893.102-Hankow  
393.00  
893.008

note  
393.00

## TELEGRAM RECEIVED

REP

FROM

GRAY

Peiping via N. R.

Dated February 3, 1932

Rec'd 6:17 a. m.

Secretary of State,  
Washington.

184, February 3, 11 a.m. (PART TWO).

requested him to have British forces maintain order along the bund of the ex-British concession in the event of an attack by Communist bandits (?) Hankow. He said that he would go into the matter with the British Rear Admiral upon the latter's return to Hankow today.

Two. The senior consul (German) asked me whether American forces would undertake the maintenance of the order on the advance bund. My reply was that the plan of maintaining a waterfront of unbroken orderliness appeared to me to have much to recommend it. I said I would take the question up with the Legation and the Commander of the Yangtze patrol.

Three. The waterfront section in which foreigners here are principally interested lies in an up river direction from the Japanese concession and along the following areas in the order named: Japanese concession, ex-German concession, French concession, ex-Russian concessions.  
(END PART TWO),

WSB

PERKINS



CJH

**TELEGRAM RECEIVED**

GRAY

PEIPING via N. R.

**FROM**

Dated February 3, 1932

Rec'd. 6:17 a.m.

Secretary of State,

Washington,

184, February 3, 11 a.m. (PART THREE)  
ex-British concession.

Four. If, as seems probable, the British agree to police the water front of their former concession in the event of attack by Communist forces upon Hankow, there will be gaps in the foreign defended water front consisting of the ex-Russian and ex-German concessions. If we were to undertake the defense of a water front area, our logical share would be the water front of the ex-Russian concession extending from (and including the American Consulate General for about half a mile to the British Consulate General. This area includes the United States Navy godown and, the National Aniline and Chemical Company and the Texas Company. The National City Bank is in the ex-British Concession. The Italian Consul indicated that the Italian naval forces could probably defend only the bund in front of the Italian Consulate which is in the ex-German concession. He said, however, that considerable section of the (end part three)

KLP

PERKINS

WSB

TELEGRAM RECEIVED

HS

GRAY

Peiping

FROM

Secretary of State

Washington

184, (PART FOUR)

ExGerman concession Bund could be controlled from the point in front of the Italian Consulate.

Five. If the American authorities were to consider the plan favorably, I believe that I could obtain a request from the Chinese authorities that the American Navy defend the water front of the ex-Russian concession. The area back of the British Consul General fronting on the Bund would become the responsibility of the Chinese authorities excepting the existing concession areas.

Six. I discussed the matter tentatively with Rear Admiral Williams and he is giving it consideration from the viewpoint of the places and the naval forces available, having in mind the requirements of Shanghai. The safety of the installations of the Texas Company and the Standard Oil Company as sources of naval fuel would have to be considered.

Seven. In any consideration that may be given to the proposal here that we need be particularly concerned about the present (?) Japanese situation as our area

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

HS                               E#184-Part four from Peiping, Feb.  
area would be considerably removed from the Japanese  
Concession. (END PART FOUR)

WSB

PERKINS

## TELEGRAM RECEIVED

REF

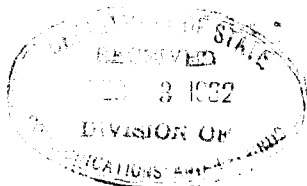
FROM

GRAY

Peiping via N. R.

Dated February 3, 1932

Rec'd 11 a. m.



Secretary of State,  
Washington.

184, February 3, 11 a. m. (PART FIVE).

The British, <sup>however,</sup> would be policing the water front off former concession area which adjoins the ex-Russian concession. See my confidential telegram to the Legation No. 630 of November 30, 1927, entitled ex-British concession at Hankow.

Eight. If the proposal proves to be practicable from naval point of view I am inclined to look upon it with favor because of the area of stress it would afford to American business interests which are hard pressed by frequent and extended periods of stress and because of the steadying effect which such an arrangement would have on the whole situation here. Such an undertaking on our part would, however, have to contemplate the possibility of the complete collapse of the present Chinese Government in this area.

Nine. I am withholding for the moment any definite recommendation

REP

2- #184, from Peiping, Feb.3,11a.m.

recommendation as no actual emergency exists now. I shall be grateful for any comment which the Legation may feel able to make with the above information before it."

Legation's comments will follow.

(END MESSAGE).

FOR THE MINISTER

PERKINS

RR

KLP

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 8, 1932.


~~SKH:~~

The Department has now received the Legation's comment on Hankow's request for instructions in regard to American participation in the maintenance of order at Hankow in the face of a communist attack. The substance of the Legation's and the Minister's instructions to Hankow are to be found in the last sentence of the Legation's 210, February 8, 3 p.m., as follows:

"Believe you and Admiral Williams should handle situation as emergency develops."

I do not feel that the Department can add anything to these instructions; hence, the attached telegram.

I do not feel that it is necessary for the Department to reply at all but a reply would let the Legation and the Minister know that we are giving consideration to their reports.



124

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

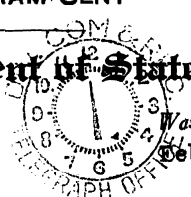
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PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge to ☐ Payment

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\$

TELEGRAM SENT

Department of State



Washington,  
February 8, 1932.

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

FEB 8 32

AMERICAN LEGATION

PEIPING (China).

46 793.94/3918

Your 184, February 3, 11 a.m., and 210, February 8,  
3 p.m., in regard to the situation at Hankow.

One. Department approves the instructions which  
have been sent to Hankow by the Legation and by the  
Minister as reported in your 210, February 8, 3 p.m..

Two. Keep Department informed in regard to  
developments. *Refer to minister.*

793.94/3918

*Shinn*  
*WY*

Feb. 8, 1932

FE:JEJ/VDM

FE

Enciphered by

Sent by operator M., 19

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-138

File No. ...

ENCLOSURE	CHARGE TO—
<del>3915</del> <i>Shm</i>	
3919	RP-Reid



793.94

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

1243

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

## DOCUMENT FILE

### NOTE

793.94/3920

SEE 893.114 Narcotics/315 FOR # 218 Political

FROM Geneva (Gilbert) DATED Jan. 26, 1932  
TO \_\_\_\_\_ NAME \_\_\_\_\_ 1-1127 GPO

REGARDING: Sino-Japanese Conflict. Letter from E. Blanco concerning  
the Relation to the Illicit Drug Traffic.

MN

SEXTUPLI

010.Political.

Geneva, Switzerland, January 26, 1972.

U.S.-Japanese Conflict. - Enclosing letter  
from A. Blanco concerning the relation to  
the illicit drug traffic.

The Honorable,

The Secretary of State,  
Washington, D. C.

I have the honor to enclose herewith copies of a  
self-explanatory letter dated January 23, 1972, received  
from Mr. A. Blanco of the Anti-Opium Information Bureau  
together with six copies of Press Note No. 52 issued by  
that Bureau.

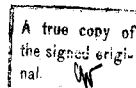
Respectfully yours,

Crestian R. Gilbert,  
American Consul.

Enclosures:  
1 letter  
6 copies of Press Note.

Original and Five Copies to Department of State.  
One copy to American Legation, Bern, Switzerland.

CRK/GAGL



COPY.

Enclosure 41  
with No 218 Pol. of  
Jan 26 1932

The Int'l-Postal Bureau, Geneva.

No.3052.

January 23, 1932.

Sir:

/6 I have the honor to request that you be so good as to transmit copies of the enclosed Press Note No. 32 to the State Department, as well as to the American member of the Commission of Enquiry constituted by article 5 of the Declaration of the Council of December 18, 1931, which is to study, on the spot, and to report to the Council of the League of Nations, on any circumstance which threatens to disturb peace between China and Japan, or the good understanding upon which peace depends.

The United States Government is too fully aware of the important role which narcotics have played in Manchuria, for me to dwell upon the point. That narcotics have played, and continue to play, a role which "threatens to disturb good understanding" is too manifest to need repeating.

Official statements, made by representatives of China, Japan and other Powers, before the Advisory Committee on Traffic in Opium and other Dangerous Drugs, the Fifth Committee of the Assembly, the Council of the League of Nations, and International Opium Conferences at the Hague in 1912, and at Geneva in 1924 and 1931, speak for themselves.

I have the honor to be,

Sir,

Your obedient servant,

6 enclosures.

Frederic GILBERT, Esquire,  
American Consul General,  
American Consulate,  
3, rue du Mont-Blanc,  
Geneva.

THE ANTI-OPIMUM INFORMATION BUREAU : GENEVA.  
8, RUE J.-A. GAUTIER, TÉL. 22-121

Enclosure No 2  
with No 218 Pol. of  
Jan. 26 1932.

Geneva, January 22, 1932

PRESS NOTE No 32

"THE MANCHURIAN ISSUE - A NEW OPIUM WAR"

New Light on the Nakamura Case

In June, 1931, Captain Shintaro Nakamura, travelling in Manchuria, was arrested by Chinese soldiers. His death at their hands and the subsequent protest by the Japanese Government became the prelude to Manchuria's military invasion by the Japanese. The incident was referred to by the Japanese representative on the Council, Mr. Yoshizawa, on October 13, 1931. No details were, at the time, laid before the Council concerning this incident.

According to the English edition of the OSAKA MAINICHI, of November 1, 1931, it appears that the Military Headquarters Staff, in Mukden, has made an official report on the circumstances connected with the death of Captain Shintaro Nakamura.

The translation of the Report, as given in the Osaka Mainichi, reproduces a dialogue between Captain Nakamura and his captors, which reads:-

- " Q. What is your name?  
" A. My name is Captain Shintaro Nakamura .....  
" Q. What is your object in coming to China?  
" A. To observe the reclamation work and the railway conditions.  
" Q. For what do you use the heroin you possess?  
" A. It is only a drug. "

On December 16, 1931, the General Secretary of The National Anti-Opium Association of China circulated a letter in this connection, entitled "THE MANCHURIAN ISSUE - A NEW OPIUM WAR", from which we reproduce the following passages:-

- 2 -

" ..... the Japanese military authorities at Mukden announced on October 27th that an official report compiled by the Kwantung Military Headquarters in Mukden was shortly to be issued. The report was released on October 29th and published in the English edition of the Osaka Mainichi on November 1."

" The most important point in the report is the revelation that Nakamura in addition to his other activities on the Mongolian frontier carried along with him a quantity of 'Heroin', a forbidden drug in China."

" Now to turn to the narcotic situation in Manchuria and China proper, no less than seventy five percent of the Japanese nationals residing in South Manchuria are directly (or) indirectly connected with drug traffic, according to the estimate of Mr. U. Kikuchi, Secretary of the Association for the Prevention of Opium Evils of Japan."

" Immediately after the Japanese occupation of Manchuria, the first thing they did was the establishment of opium monopoly in the territories under their military rule, a repetition of the process of conquest which was applied to the island of Formosa and actually bore fruit."

" In Mukden, Changchun, Tsinan, Tientsin, Amoy, Foochow, etc., numerous 'dope' huts are operated under Japanese consular protection in open defiance of Chinese suppression acts. In the Japanese concession in Mukden, these huts number some two hundred, the owners of which pay regular cumshas to the Japanese police in return for protection. Some one hundred morphine shops are also found to have existed and these are situated either in the neighborhood of Japanese dispensaries or in the rear of Japanese residences. In a single shop, about forty to fifty persons come to receive injections per day, the number of morphine addicts in the Japanese concession alone being found to be in the vicinity of 500."

" In Changchun, the condition is even worse, and opium dens reach startling number of approximately one thousand and five hundred, and are operated by Koreans, Japanese and naturalized Japanese."

" The above will suffice to give you some idea of the preponderant Japanese influence in drug market in China."

" Judging from the disclosures made in connection with the Nakamura case and the International Drug Ring, we are safe to say that the Japanese are the active agents for the spread of narcotic drugs in the world in complete disregard of international covenants and humanitarian considerations, and therefore are the common enemies of civilized nations whose duty it is to foster the progress and welfare of the human race. This indictment of mine against Japan is by no means extraordinary if we take into consideration the fact that while Japan establishes opium monopoly in Formosa and tries every possible means to encourage the native and the Chinese residents in the island to consume the drug, a provision is inserted in the Japanese law inflicting death penalty to those who supply the Japanese subjects and soldiers with opium and similar narcotics."

(signed) GARFIELD HUANG  
General Secretary "

- 3 -

C That the drug situation in Manchuria should have culminated in the arrest of a Japanese officer, not in uniform, and in possession of a quantity of heroin, will astonish no one who has followed the development of the illicit traffic in narcotics in China during the last fifteen years.

As a result of the publication in the Japanese Press of the statement that Captain Nakamura was in possession of heroin when arrested, it is expected that the Japanese Government will now ratify the Convention for the Limitation of Manufacture of Narcotic Drugs, which it signed on July 13, 1931.

It is understood that the Commission of Enquiry which, in conformity with the terms of Article 5 of the Council's Resolution of December 10, 1931, is about to proceed to Manchuria, will make a special point of investigating, on the spot, the reported systematic illicit trafficking in narcotics there by Japanese, whether:

- (a) for the sake of illicit monetary profits, or
- (b) for political purposes.

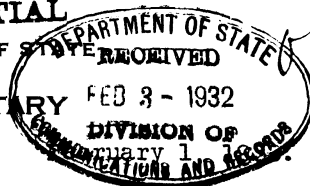
The Commission's Report to the Council on these points would, eventually, greatly facilitate the task of the Advisory Committee on Traffic in Opium and Other Dangerous Drugs, and would - by revealing the truth - contribute to the creation of enlightened public opinion on the question.

--ooOoo--

CONFIDENTIAL

CONFIDENTIAL  
DEPARTMENT OF STATE

THE SECRETARY



MEMORANDUM OF CONVERSATION BETWEEN SECRETARY SELIGSON  
AND THE FRENCH AMBASSADOR, MR. PAUL CLAUDEL

FEB 3 1932

Department of State

Shanghai Situation.

The French Ambassador sent word that he wanted to see me. He came to tell me that he had had translated the telegrams which M. Jules Henry had shown Mr. Castle and me this morning, but unfortunately he had afterwards forgotten them. He was very vehement, however, that ~~he thought~~ there had been no agreement between France and Japan of the character which has been talked about in the press so nonsensically and that these telegrams show that that was so.

I then told the Ambassador what we had been doing this morning. I told him that we had received a cable from Tokyo of an interview yesterday in which the Foreign Minister had told our Ambassador, and apparently also the British and the French Ambassadors, that Japan desired our good offices in inducing the Chinese troops not to bring up further reinforcements and to withdraw the troops now in Shanghai to a safe distance to avoid clashes. I read him a portion of Forbes' telegram in which this request

F/DEM

793.94/3921

FILED

FEB 9 1932

793.94  
note  
751.94  
893/102-S  
894.00



DEPARTMENT OF STATE

THE SECRETARY

- 2 -

request was contained. I told him that acting on this the President and I had taken steps to submit to Great Britain suggested proposals for a cessation of hostilities at Shanghai along the lines on which the local authorities there were now working and also urging the two countries to at once begin negotiations in the spirit of the Pact of Paris and of the resolution of the League of December 9 in the presence of neutral observers for a settlement of all outstanding controversies between the two nations. The Ambassador expressed approval of the propositions. I told him that, in order to save time, the British were to suggest that France and Italy should make similar representations. I stressed the point, however, that we were not insisting that the French and British should follow exactly the same lines but to cover principally those two points. I urged him to telegraph at once to his Government urging them to do so. The Ambassador said he would. He specifically approved of the suggestion about the neutral observers, saying that was good, and suggesting that the best representatives would be the Ministers on the spot. The Ambassador said the situation was very serious; that Japan was mad and that  
he

DEPARTMENT OF STATE

THE SECRETARY

- 3 -

note  
894.00

he could not be sure that a revolution might not break out in Japan at any moment. He said the situation there was extremely precarious with poverty and various troubles and that, in case of a military reverse, a revolution might easily occur instantaneously. I showed him the message I had received from the Navy as to the bombardment of Nanking. The Ambassador threw up his hands and said "They are mad."

HLS.

S HLS:MHC

CONFIDENTIAL



DEPARTMENT OF STATE  
THE SECRETARY



February 1, 1932.

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON  
AND THE JAPANESE AMBASSADOR, MR. KATSUJI DEBUCHI.

Shanghai Situation.

793.94  
note  
893.102-5  
893/102-Nanking

This morning I sent for the Japanese Ambassador. I told him that I had received a cable from Tokyo describing the Foreign Minister's interview with Mr. Forbes and also with the British Ambassador and the French Ambassador yesterday. I read him the paragraph from Forbes' telegram describing the Foreign Minister's request that the United States use its good offices to induce the Chinese troops not to bring up further reinforcements. I told the Ambassador that I regarded this as an important request and was hard at work taking it under consideration and trying to carry it out and that while I was doing so I had just this morning received a telephone message from the Navy telling me that in the middle of the night at Nanking the Japanese war vessel had opened fire on the city. While I was talking with him, the following message was brought to me from the Navy: From the U.S.S. SIMPSON at Nanking, dated 11:30 p.m., February 1:

"Japanese

F/DEW

793.94/3922

FEB 5 - 1932

WTT:MM

DEPARTMENT OF STATE

THE SECRETARY

- 2 -

"Japanese vessels continue firing on Nanking.  
Have shifted berth to get out of line of fire.  
Firing continues intermittently. No warning was  
given."

I told him that this conduct would gravely interfere  
with our efforts and good offices and that the firing  
should be stopped at once if any good effects were to  
ensue.

HLS.

S HLS:MHC

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

## DOCUMENT FILE

### NOTE

SEE 462.00 R 296 A 1/99 FOR Tel#82 7 p.m.

FROM France ( Edge ) DATED Feb 2, 1932  
TO NAME 1-1127 GPO

#### REGARDING:

Sino-Japanese situation.

French Government instructed their diplomatic representatives  
yesterday in Tokyo and Nanking to back up the position of  
Great Britain and the United States as regards the -.

793.94/3923

793.94

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

At the close of the conversation the British Ambassador voluntarily advised me that he had had a very satisfactory talk with the French regarding the Sino-Japanese situation and that the French Government had yesterday instructed their diplomatic representatives in Tokyo and Peking to back up the position of Great Britain and the United States. This was confirmed

ARL

CJH

Page 3 - #82 from Paris.

was confirmed by the Press today. I purposely did not bring up this subject in my conversation with Laval - this morning as we have received no instructions concerning it.

EDGE

ARL

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

*File*

WILLIAM E. BORAH, IDAHO, CHAIRMAN  
HIRAM W. JOHNSON, CALIF.  
GEORGE H. MOSES, N. H.  
ARTHUR CAPPER, KANS.  
DAVID A. REED, PA.  
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ARTHUR R. ROBINSON, IND.  
OTIS F. GLENN, ILL.  
BRONSON CUTTING, N. MEX.  
HENRIK SHIPSTEAD, MINN.  
CORRUBIN, CLERY

CLAUDE A. SWANSON, VA.  
KEY PITTMAN, NEV.  
JOSEPH T. ROBINSON, ARK.  
THOMAS J. WALSH, MONT.  
PAT HARRISON, MISS.  
WALTER F. GEORGE, GA.  
HUGO L. BLACK, ALA.  
ROBERT F. WAGNER, N. Y.  
TOM CONNALLY, TEX.  
J. HAMILTON LEWIS, ILL.

## United States Senate

COMMITTEE ON FOREIGN RELATIONS

January 20, 1932.

RECEIVED

JAN 20 1932

SECRETARY'S OFFICE

F/DEW

793.94/3924

Dear Mr. Secretary:

I received the copies of the documents sent in response to S. Res. 87.

We had this matter under discussion briefly before the Committee this morning. After the Committee adjourned, I talked with you about the matter and understood that you would have no objection to making the contents of these documents public, provided you could secure the consent of Japan.

In view of this situation, I am returning the documents to you with the suggestion that as soon as the consent of Japan has been secured, the copies of these documents be sent direct to the Senate.

If you are unable to secure the consent of Japan, then I presume it will be necessary for you to except from these files such documents as you feel you can not consent to their being made public.

I sincerely hope the Japanese government will consent and that the entire set of copies may be made public.

I have gone through them, and I can not see any reason why we should not desire them published.

Very respectfully,

The Honorable

The Secretary of State.

*W. E. Borah*

FEB 3 1932

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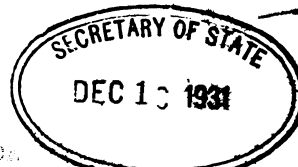
*See 793.94/3569a*



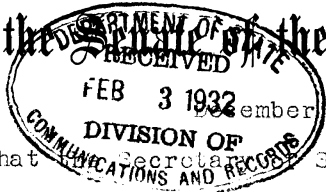


RECEIVED

DEC 13 1931



In the ~~Senate~~ of the United States,



December 17, 1931

RESOLVED, That the Secretary of State be, and he is

hereby, requested to transmit to the Senate the notes, correspondence, and communications from the Government of the United States to the Government of China, Japan, and/or any other nation relating to the present existing conditions in Manchuria, and the controversy between China and Japan, which has resulted in armed encounters in Manchuria; and particularly any messages, notes, or communications from the United States Government to either the Governments of Japan or China referring to the treaty entered into at the city of Washington on the 6th day of February, 1922, by the United States, Belgium, British Empire, China, France, Italy, Japan, the Netherlands, and Portugal, known as the Nine-Power Treaty, and referring to the treaty entered into by Japan and China, the United States and other nations, and commonly known as the Kellogg pact; and also the notes, messages, letters, and communications sent or transmitted by the Government of the United States to the League of Nations or any individual or committee representing the League of Nations relating to the said conditions in Manchuria, and the said Chinese and Japanese controversy; or sent or transmitted to any individual or individuals representing the Government of the United States in said matters acting with, or in conjunction with the League of Nations or the Council of the League of Nations, or any individual or committee representing the League of Nations or the Council of the League of Nations.

Attest:

*Erwin P. Thayer*

Secretary.

F/DEW

793.94/3925

FILED

FEB 6 1932

See  
793.94/3364

# Congressional Record

SEVENTY-SECOND CONGRESS, FIRST SESSION

Vol. 75

WASHINGTON, THURSDAY, DECEMBER 17, 1931

No. 9

## SENATE

THURSDAY, DECEMBER 17, 1931

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Thou whose all-besetting care doth nourish every tender planting of Thy love; make of us high-minded men, who know our duties and our rights as well, that, knowing both, we may rend the chain of every mocking tyranny that hinders freedom's sway. Increase in us respect for Sovereign Law, the constituted will of states, that She alone may sit enthroned, now crowning good and now repressing wrong, until dissention at her bidding shrinks, and hiding his faint rays steals unperceived away. Give unto us those sweet rewards that decorate the brave who scorn inglorious strife, that looking back at day's departing hour on every conflict past we may meet life's peaceful evening with a smile and hear the Saviour's blessed words, "Well done!" Amen.

### THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. Fess and by unanimous consent, the further reading was dispensed with and the Journal was approved.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 5821) to provide for the taxation of incomes in the District of Columbia, to repeal certain provisions of law relating to the taxation of intangible personal property in the District of Columbia, and for other purposes, in which it requested the concurrence of the Senate.

### ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 72) to permit the temporary entry into the United States under certain conditions of alien participants and officials of the third Olympic Winter Games and of the games of the Tenth Olympiad, to be held in the United States in 1932, and it was signed by the Vice President.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

### REPORT OF THE FEDERAL TRADE COMMISSION

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to law, the annual report of the commission for the fiscal year ended June 30, 1931, which, with the accompanying report, was referred to the Committee on Commerce.

### RETURNS OF FEDERAL CONTRACTS

The VICE PRESIDENT laid before the Senate a communication from the Comptroller General of the United States, transmitting, in compliance with law, his recommendation for the enactment of legislation in the matter of the returns, audit, and filing of Federal contracts, which, with the accompanying papers, was referred to the Committee on Appropriations.

### FEES TO AGENTS, ATTORNEYS, ETC.

The VICE PRESIDENT laid before the Senate a communication from the Comptroller General of the United States, transmitting, in compliance with law, his recommendation for the enactment of legislation fixing the minimum and maximum amounts for fees and expenses payable to agents, attorneys, etc., for services rendered in connection with claims against or payable by the United States, which, with the accompanying papers, was referred to the Committee on Claims.

### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions of the Provincial Board of Iloilo, P. I., favoring the granting to the Philippine Islands of immediate, complete, and absolute independence, which were referred to the Committee on Territories and Insular Affairs.

Mr. WAGNER. I present for printing in the RECORD and appropriate reference an act passed by the Legislature of the State of New York petitioning the Congress of the United States to submit a referendum to the citizens of the various States on the subject of prohibition.

The act of the New York Legislature was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

### Assembly, No. 1432

An act on the application of the Legislature of the State of New York petitioning the Congress of the United States of America to submit a referendum to the citizens of the various States

*The people of the State of New York, represented in senate and assembly, do enact as follows:*

SECTION 1. The Legislature of the State of New York petitions the Congress of the United States of America to enact by proper and appropriate legislation measures requesting the legislatures of the various States to submit to the voters of their respective States at the next general election in the form of referenda the following questions:

1. Do you favor a repeal of the eighteenth (prohibition) amendment?
2. Do you favor a modification of the Volstead law to permit light wines and beers?
3. Do you favor a modification of the Volstead law so as to permit each State to define for itself what constitutes an intoxicating beverage?
4. Do you favor the continuance and strict enforcement of the eighteenth amendment and Volstead law?

SEC. 2. On the passage of this act the Governor of the State of New York shall forthwith cause to be transmitted to the President of the Senate of the United States and the Speaker of the House of Representatives of the United States and to each Senator and Member of Congress elected from the State of New York engrossed copies of this act.

SEC. 3. This act shall take effect immediately.

Mr. CAREY presented the following joint memorial of the Legislature of Wyoming, which was referred to the Committee on Irrigation and Reclamation:

### THE STATE OF WYOMING, OFFICE OF THE SECRETARY OF STATE.

UNITED STATES OF AMERICA.  
State of Wyoming, ss:

I, A. M. Clark, secretary of state of the State of Wyoming, do hereby certify that the annexed is a full, true, and correct copy of original House Joint Memorial No. 3, as passed by the Twenty-first Legislature of the State of Wyoming, as approved March 7, 1931.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Wyoming.  
Done at Cheyenne, the capital, this 10th day of March, A. D. 1931.

[SEAL.]

A. M. CLARK,  
Secretary of State.  
By H. M. SYMONS,  
Deputy.

Enrolled Joint Memorial 1, House of Representatives, Twenty-first Legislature of the State of Wyoming, memorializing the Congress of the United States of America, the Department of the Interior of the United States of America, and the Bureau of Reclamation of the United States of America to apply project power-plant revenues in accord with the act of Congress of December 5, 1924, commonly known as the fact finders' act.

Whereas the Shoshone project in Wyoming is one of the established reclamation projects of the United States Bureau of Reclamation; and

Whereas the Garland, Frannie, and Willwood divisions of said project have been heretofore completed and settled, and the Garland and Frannie divisions thereof have been taken over by the unit holders thereon under appropriate contracts with the United States of America; and

Whereas after investigation by a fact-finding commission the Congress of the United States enacted what is commonly known as the fact finders' act, under date of December 5, 1924, which provided, among other things, that all net profits from the operation of project power plants should be applied: First, to the payment of construction costs due the United States of America for the construction of the project; second, to the payment of operation and maintenance assessments thereon; and, third, as the unit holders may direct; and

Whereas at the time of the passage of said fact finders' act there had been constructed in connection with the Shoshone project a project power plant at the Shoshone Dam in Park County, Wyo.; and

Whereas the Shoshone Irrigation District took over the operation and maintenance of the Garland division of said Shoshone project, and the Deaver Irrigation District took over the operation and maintenance of the Frannie division of said Shoshone project by appropriate contracts negotiated and consummated during the year 1926; the Shoshone irrigation district contract providing, among other things, that said district would pay its pro rata share of the cost of the operation and maintenance of said Shoshone power plant; and the Deaver Irrigation District contract providing, among other things, that it would assume and pay its proportionate share of the cost of construction of said Shoshone power plant, and that in the event the Shoshone Irrigation District would agree to assume and pay its proportionate share of such cost that the Deaver Irrigation District should then be entitled to own its proportionate share of said Shoshone power plant and to be entitled to its share of the profits therefrom; and

Whereas at the time the Shoshone Irrigation District contract was negotiated, the commissioners of said district and the officers thereof were advised by various officials and representatives of the Bureau of Reclamation that their contract entitled them to receive all of the benefits of the provisions of said fact finders' act relating to profits from the power plant theretofore constructed at the Shoshone Dam; and

Whereas it has since been held by the Secretary of the Interior of the United States of America that similar contracts executed by the United States of America with various irrigation districts on the North Platte project entitled said irrigation districts to their proportionate share of power-plant revenues from the Guernsey and Lingle power plants; and

Whereas, at a meeting of the commissioners and officers of the Shoshone Irrigation District held in the town of Powell, Wyo., on or about the 8th day of September, A. D. 1928, with the Hon. Roy O. West, Secretary of the Interior, and Dr. Elwood Mead, Commissioner of the Bureau of Reclamation of the United States of America, the assurance was made and given by said Secretary and by said commissioner that if the Shoshone Irrigation District would present through the Bureau of Reclamation an amended or supplemental contract for repayment to the United States Government of the Shoshone Irrigation District's proportionate share of the cost of construction of said Shoshone power plant in accord with the act of May 25, 1926, which requires repayment of said construction cost within a period of 40 years after public notice, that such a contract would receive the approval of the Bureau of Reclamation and the Department of the Interior of the United States Government; and

Whereas such a contract was submitted by the Shoshone Irrigation District in September of 1928 to the United States Government through its Bureau of Reclamation; and

Whereas said proposal was thereafter ignored by the Commissioner of the Bureau of Reclamation and the Secretary of the Interior, and without notice of any kind to the Shoshone Irrigation District, the Commissioner of the Bureau of Reclamation proceeded to and did recommend to Congress that the act of March 4, 1929, should contain a clause which in effect purports to take from the Shoshone Irrigation District and the Deaver Irrigation District the net profits from the Shoshone power plant and would apply them, first, to the repayment of cost of construction of said Shoshone power plant; second, to the repayment of the cost of construction of the Shoshone dam; and, third, to be paid into and retained by the reclamation fund of the United States of America; and

Whereas the Deaver Irrigation District entered into its contract with the United States Government only after making demand of the Bureau of Reclamation that it be allowed to contract for its proportionate share of the cost of construction of said power plant under then existing law, which provided for repayment of cost of construction on the 5 per cent crop repayment basis, and being refused such contract, they entered into the conditional contract aforementioned; and

Whereas on or about the 8th day of September, 1928, at a meeting at the reclamation office in Deaver, Wyo., demand was again made by the Deaver Irrigation District of Elwood Mead, Commissioner of the Bureau of Reclamation, in the presence of Hon. Roy O. West, Secretary of the Interior, and Hon. JOHN B. KENDRICK, United States Senator from Wyoming, and others, that the Deaver Irrigation District be given a contract for its proportionate share of said power plant under then existing law, which then provided for repayment on the 40-year basis for its proportionate share, and in response thereto assurance was given by said Elwood Mead that the Deaver Irrigation District need have no worry over the matter, because he would see that the said district's rights to its share of the profits from the Shoshone power plant would be protected; and

Whereas the decision of the Secretary of the Interior on the North Platte project, which has confirmed to the unit holders and landowners of said project, their rights given them in said fact finders' act to all the net profits of the North Platte project power plants, in effect takes largely from Wyoming power-plant resources and gives the same to Nebraska citizens; and

Whereas the carrying out of the newly adopted policy of the Bureau of Reclamation and the act of March 4, 1929, with reference to the Shoshone power plant will take said power-plant revenues from unit holders and landowners located entirely within the State of Wyoming and will give to the Bureau of Reclamation profits from a power plant located within the State of Wyoming, and will give to the United States Government for the benefit of the reclamation fund the use of another of the valuable resources of this State; and

Whereas Wyoming has heretofore contributed very largely of its resources to the revenues and income of the reclamation fund and has never received in return 50 per cent of the amount contributed; Therefore be it

*Resolved by the House of Representatives of the Twenty-first Legislature of the State of Wyoming (the Senate concurring).* That we do hereby memorialize the Congress of the United States of America to repeal the portion of said act of March 4, 1929, or to amend the same so as to carry out the provisions of the contracts between the United States Government and the Shoshone and Deaver Irrigation districts which provide for the application of the revenues and profits from the Shoshone power plant in accord with the fact finders' act, to the end that the unit holders and landowners under said Shoshone project shall have all the benefits from the net profits from the operation of said power plant; and be it further

*Resolved.* That we hereby memorialize and petition the United States Senators from Wyoming and our Member of Congress to do all in their power to obtain the repeal or amendment of said act of March 4, 1929, in accord herewith; and be it further

*Resolved.* That we do hereby memorialize the Secretary of the Interior and the Commissioner of the Bureau of Reclamation of the United States of America to use their efforts to obtain for the Shoshone project, and the various divisions thereof, all profits from said Shoshone power plant in accord with the provisions of the fact finders' act; and be it further

*Resolved.* That certified copies of this memorial be forwarded to the Wyoming Senators and its Representative in Congress and to the Secretary of the Interior and the Commissioner of the Bureau of Reclamation of the United States of America.

CLARENCE GARDNER,  
President of the Senate.  
CHARLES B. MANN,  
Speaker of the House.

Approved at 11.20 a. m., March 7, 1931.

A. M. CLARK,  
Acting Governor.

Mr. WALSH of Massachusetts presented the following resolutions of the General Court of Massachusetts, which were referred to the Committee on Agriculture and Forestry:

THE COMMONWEALTH OF MASSACHUSETTS, 1931.

Resolutions memorializing Congress with relation to the activities of the Federal Farm Board and its attempt to regulate the price of wool and mohair

Whereas the Federal Farm Board, created under an act of Congress, effective June, 1929, commonly known as the agricultural marketing act, is attempting to fix the price of wool and mohair and is, in that respect, interfering with the normal and lawful conduct of business by persons legitimately engaged therein; and

Whereas there have been and are now in the city of Boston and the Commonwealth of Massachusetts many persons engaged in the purchase and sale of wool and mohair; and

Whereas this business which has always constituted an occupation for many persons and an enterprise in which the Commonwealth has always taken a great pride and from which its citizens have received a large source of revenue: Now, therefore, be it

*Resolved.* That the General Court of Massachusetts hereby records itself as opposed to so much of the activities of the Federal Farm Board as involve the purchase of wool and mohair in

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competition with an old and well-established trade conducted by private citizens in this Commonwealth in so far as those purchases by said Federal Farm Board are not needed at the present time to maintain the price of said wool and mohair; and be it further

*Resolved*, That certified copies of these resolutions be sent by the secretary of the Commonwealth to the President of the United States, to the Secretary of Agriculture, to the Secretary of Commerce, and the members of the Federal Farm Board, to the presiding officers of both branches of Congress, and to the Representatives and Senators in Congress from this Commonwealth.

In house of representatives, adopted, May 21, 1931.  
In senate, adopted, in concurrence, May 22, 1931.

A true copy.  
Attest:

F. W. COOK,  
*Secretary of the Commonwealth.*

Mr. WALSH of Massachusetts also presented the following resolutions of the General Court of Massachusetts, which were referred to the Committee on the Judiciary:

THE COMMONWEALTH OF MASSACHUSETTS, 1931.  
Resolutions making application to Congress in accordance with Article V of the Constitution of the United States to call a constitutional convention to amend or repeal the eighteenth article of amendment or to propose such an amendment for submission to the several States

Whereas a condition of widespread dissatisfaction prevails with the workings and results of Article XVIII of the amendments to the Constitution of the United States; and

Whereas it is desirable to attempt to improve, clarify, or quiet such condition; and

Whereas the only methods for repealing or modifying said Article XVIII are set forth in Article V of the said Constitution: Therefore be it

*Resolved*, That the General Court of Massachusetts, acting in pursuance of said Article V, hereby requests that Congress call a convention under said article for the purpose of proposing an amendment or amendments to the Constitution amending, modifying, revising, or repealing said Article XVIII; or that Congress, acting in pursuance of said Article V, itself propose such an amendment or amendments; and requests that in either case the same be submitted for ratification by conventions in the several States; and be it further

*Resolved*, That the secretary of the Commonwealth forward forthwith to the presiding officers of both branches of Congress certified copies of these resolutions, attested by the clerks of both branches of the General Court.

Adopted March 13, 1931.

A true copy.  
Attest:

FRANK E. BRIDGMAN,  
*Clerk of the House of Representatives.*

WILLIAM H. SANGER,  
*Clerk of the Senate.*

THE COMMONWEALTH OF MASSACHUSETTS,  
OFFICE OF THE SECRETARY.

Witness the great seal of the Commonwealth.  
[SEAL.]

F. W. COOK,  
*Secretary of the Commonwealth.*

Mr. SHIPSTEAD presented a petition numerously signed by sundry citizens of the State of Minnesota, praying for the passage of legislation known as "the farmers' farm relief act," which was referred to the Committee on Agriculture and Forestry.

Mr. SHORTRIDGE presented numerous communications from organizations and sundry citizens of the State of California, favoring the reduction of armaments by all nations, which were referred to the Committee on Foreign Relations.

Mr. KEAN presented a resolution adopted at a regular meeting of the Association of Grand Jurors of Essex County, N. J., favoring the passage of legislation prohibiting the manufacture, sale, importation, exportation, and use (except for lawful purposes) of explosives, brass knuckles, stilettos, machine guns, tear gas, tear bombs, and other weapons and instrumentalities used in the perpetration of crimes of violence, which was referred to the Committee on the Judiciary.

Mr. GOLDSBOROUGH presented papers to accompany the bill (S. 567) to authorize the Secretary of War to sell to the Philadelphia, Baltimore & Washington Railroad Co. certain tracts of land situate in the county of Harford and State of Maryland, introduced by him on the 9th instant, which were referred to the Committee on Military Affairs.

INCOME TAXES

Mr. THOMAS of Oklahoma. Mr. President, I am in receipt of a letter with a resolution accompanying it. I ask unanimous consent to have the letter read and the accom-

panying resolution printed in the RECORD immediately following the reading of the letter. I do not ask for the reading of the resolution.

There being no objection, the Chief Clerk read the letter, as follows:

DEMOCRATIC CENTRAL COMMITTEE, CANADIAN COUNTY,  
*El Reno, Okla., December 14, 1931.*

Senator ELMER THOMAS,  
*Washington, D. C.*

DEAR SENATOR: Inclosed please find copy of resolution introduced by Judge James A. Rinehart and unanimously adopted at a meeting of the Murray Tax Reform Club at El Reno December 12.

I am Dutch descent, but I have a feeling that the proposed Hoover program is a move on the part of our Hebrew banker friends in New York to shoulder the cost of the war on the American public.

Very truly yours,

SIDNEY CLUTE,  
*Secretary Murray Club of Canadian County.*

The resolution was referred to the Committee on Finance, and is as follows:

Resolution

Whereas Andrew Mellon, Secretary of the Treasury of the United States of America, has forwarded to Congress a demand on that body to pass legislation raising the taxes on small incomes and inheritances and lowering the exemptions that now exist;

Whereas said proposed legislation, as set forth in the plan and demand of Secretary Mellon, raises the tax on small incomes approximately 700 per cent and raises the tax on large incomes of \$50,000 or more less than 20 per cent; and

Whereas said plan or demand of Secretary Mellon raises the tax on corporations only one-half of 1 per cent and provides an exemption for corporations equal to that of individuals; and

Whereas said Secretary Mellon has announced that he will soon submit a bill for the approval of Congress establishing a moratorium or cancellation of war loans made to foreign countries;

Whereas it is the opinion of the Murray Club, of Canadian County, Okla., that said proposed tax is inequitable and unfair to the persons earning small incomes; and it is further the opinion of the Murray Club that the cancellation of debts owing by foreign countries is an act in favor of the big international banking interests, the burden and cost of which must be borne by the taxpayers of America; and it being further the opinion of the Murray Club that taxes should now be lowered instead of raised, and that European countries should be called upon to pay their honest debts of war: Therefore be it

*Resolved by the Murray Club of Canadian County, Okla.*, That we condemn and recommend for disapproval the plan, bill, or demand of Secretary Mellon made to the American Congress known as the so-called income tax bill; be it further

*Resolved*, That we condemn and recommend for disapproval the passage of any bill creating a moratorium or the further cancellation in any amount of war debts owing by European countries; be it further

*Resolved*, That copies of this resolution be mailed to Hon. Senator THOMAS P. GORE, Hon. Senator ELMER THOMAS, and to the Hon. Congressman JED JOHNSON.

CLYDE MATTHEWS, *President.*

Attest:

SYDNEY CLUTE, *Secretary.*

THE MORATORIUM MEASURE AND PROPOSED CASH BONUS TO VETERANS

Mr. STEIWER. Mr. President, I have a number of telegrams addressed to me by veterans' organizations with reference to the moratorium and proposed veterans' legislation. I shall not ask that they be read, but I ask that they may be referred to the Committee on Finance and printed in the RECORD.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., December 17, 1931.

Senator STEIWER,  
*Washington, D. C.*

You are requested to withhold any action on foreign-debt moratorium until favorable action is assured on payment of adjusted-service certificates.

LILE DAILEY,  
*State Commander, Disabled War Veterans.*

OREGON CITY, OREG., December 17, 1931.

Senator STEIWER,  
*Washington, D. C.*

Withhold any action on foreign-debt moratorium until favorable action assured on payment adjusted certificates. All veterans in our State uniting with Veterans' Foreign Wars and are urging us to secure your assistance. We deeply appreciate your loyal support and fear passage of moratorium would jeopardize veterans' program.

GLENN R. JACK,  
*Department Commander.*



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

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OREGON CITY, OREG., December 17, 1931.

Senator STEIWER,

Washington, D. C.:

It is the wish of this post to withhold all action on debt moratorium until favorable legislation on pensions and cash payment of bonus have been assured.

WALDO CAUFIELD POST,  
VETERANS OF FOREIGN WARS, No. 1324,  
H. L. CRAWFORD, Adjutant.

PORTLAND, OREG., December 17, 1931.

Senator STEIWER,

Washington, D. C.:

You are requested to withhold any action on foreign-debt moratorium until favorable action is assured on payment of adjusted-service certificates.

T. M. KERGIGAN,  
Commander, Portland Chapter, No. 1,  
Disabled Veterans of the World War.

OREGON CITY, OREG., December 17, 1931.

Senator STEIWER,

Washington, D. C.:

The American Legion, Willamette Post, No. 5, request that you hold up action on moratorium until payment of adjusted compensation. We feel that our own should be considered first.

AMERICAN LEGION, WILLAMETTE POST, No. 5,  
H. A. SHAW, Finance Officer.

Mr. BROOKHART. Mr. President, I present a number of telegrams. I ask unanimous consent that the first one may be read at the desk, that the others may be printed in the RECORD, and that all may be referred to the Committee on Finance.

There being no objection, the first telegram was read and referred to the Committee on Finance, as follows:

CRESTON, IOWA, December 17, 1931.

Senator SMITH W. BROOKHART,

Senate Chamber, Washington, D. C.:

Veterans Foreign Wars, Post No. 1797, request you withhold favorable vote on moratorium until pension and cash bonus are assured.

S. S. STALEY, Commander.

The remaining telegrams presented by Mr. BROOKHART were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

EMMETSBURG, IOWA, December 16, 1931.

Hon. SMITH W. BROOKHART,

Senate Building, Washington, D. C.:

The undersigned respectfully request that you withhold favorable vote on foreign war debt moratorium until passage of legislation for World War widows and orphans, pensions, and cash payment of bonus is assured.

PALO ALTO POST, No. 2295, VETERANS FOREIGN WARS,  
By WILLIAM ROBERT, Commander.

NEWTON, IOWA, December 16, 1931.

Senator S. W. BROOKHART,

Senate Chamber, Washington, D. C.:

The local Veterans of Foreign Wars post, voicing the sentiments of practically every veteran in Jasper County, urges you to withhold favorable vote on war-debt moratorium until widows and orphans' pensions and cash payment of bonus are assured. Your constituents demand that you prevent the defeat of these just measures.

C. H. BARCUS, Commander.

NEWTON, IOWA, December 16, 1931.

Senator S. W. BROOKHART,

Senate Chamber, Washington, D. C.:

Newton Chapter, No. 23, Disabled American Veterans of the World War, urges you to withhold favorable vote on war-debt moratorium until cash payment of bonus and other veterans' legislation is assured. Public sentiment in Jasper County demands that you prevent the defeat of these veterans' measures.

V. O. EDWARDS,  
Commander Newton Chapter.

NEWTON, IOWA, December 16, 1931.

Senator S. W. BROOKHART,

Senate Chamber, Washington, D. C.:

The Newton Post, 111, voicing the sentiments of practically every veteran in Jasper County, urges you to withhold favorable vote on war-debt moratorium until widows and orphans and cash payment of bonus are assured. Your constituents demand that you prevent the defeat of these just measures.

NEWTON POST, 111.

OELWEIN, IOWA, December 16, 1931.

Senator SMITH W. BROOKHART,

Washington, D. C.:

Withhold favorable vote on moratorium until pension and cash bonus are assured.

VETERANS OF FOREIGN WARS, POST No. 1725.

DES MOINES, IOWA, December 16, 1931.

SMITH W. BROOKHART,

Senate Office Building, Washington, D. C.:

Please oppose debt moratorium until legislation favorable to World War widows and orphans' pension and cash payment of bonus is assured.

MERLE BUCK,  
Adjutant, Department of Iowa,  
Disabled American Veterans of World War.

DES MOINES, IOWA, December 16, 1931.

SMITH W. BROOKHART,

Senate Office Building, Washington, D. C.:

Please oppose debt moratorium until legislation favorable to World War widows and orphans' pension and cash payment of bonus is assured.

LERROY C. FISHER,  
Commander Des Moines Chapter, No. 1,  
Disabled American Veterans of World War.

MUSCATINE, IOWA, December 16, 1931.

Senator BROOKHART,

United States Senate, Washington, D. C.:

Please vote for pension and cash bonus preference to moratorium.

Commander HARRY O. CARPENTER,  
John Harold Kemble Post, 1565,  
Veterans of Foreign Wars of United States,  
City Hall, Muscatine, Iowa.

SIOUX CITY, IOWA, December 16, 1931.

Hon. SMITH W. BROOKHART,

Senate Chamber, Washington, D. C.:

We oppose the foreign moratorium program, as we can not neglect our widows and orphans longer.

RALPH A. OSTLING,  
Commander Shull Post, No. 580,  
Veterans of Foreign Wars of the United States.

FORT MADISON, IOWA, December 16, 1931.

Hon. S. W. BROOKHART,

Senate Chambers, Washington, D. C.:

We believe the payment of war debts is a big factor in the program for disarmament and world peace. Believing the foreign war debt moratorium inimical to pension and bonus legislation, we respectfully request you to withhold favorable vote upon the moratorium until favorable veteran legislation is assured.

CHARLES L. HERRICK,  
Commander Hartman Dawson Post, 1805,  
Veterans of Foreign Wars.

AMES, IOWA, December 17, 1931.

Senator SMITH W. BROOKHART,

Washington, D. C.:

Veterans of Foreign Wars Post, 1107, Ames, express opinion majority of service men in this territory backed by bonus petitions signed for Veterans of Foreign Wars legislative committee, Washington; we urge you to withhold favorable vote for war debt moratorium until pensions and cash bonus legislation are assured.

ROBERT CAMPBELL,  
Commander Post, 1107.

DAVENPORT, IOWA, December 17, 1931.

Senator SMITH W. BROOKHART,

Washington, D. C.:

Post No. 828, Veterans of Foreign Wars, Davenport, representing 400 veterans, urge you withhold favorable vote on war debt moratorium until World War widows and orphans pension and cash payment of bonus bills are assured.

CLIFFORD J. DAWSON, Commander.

ST. LOUIS, MO., December 16, 1931.

Hon. Senator BROOKHART,

Washington, D. C.:

On behalf World War veterans we earnestly request you withhold your vote on foreign debt moratorium until congressional action can be taken on veteran relief. In the attainment of justice we pray your support of proposed legislation calling for cash payment on adjusted-service certificates and pension rights for widows and orphans of World War veterans.

HOUGHKIRK POST, 1145, VETERANS OF FOREIGN WARS.

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PERRY, IOWA, December 16, 1931.

Senator BROOKHART,  
Washington, D. C.:  
We urge you withhold favorable vote on moratorium until pension and cash bonus are assured.  
FLOYD FOSTER POST, VETERANS OF FOREIGN WARS.

MARSHALLTOWN, IOWA, December 16, 1931.

Senator SMITH W. BROOKHART,  
Senate Office:  
Withhold favorable vote on moratorium until pension and cash bonus are assured.  
RALPH L. ROBINSON,  
Commander Veterans of Foreign Wars, Post 839.

LAKE CITY, IOWA, December 16, 1931.

Hon. SMITH W. BROOKHART,  
Member of Congress:  
Please withhold favorable vote on moratorium until pension and cash bonus are assured.  
TRI COUNTY POST, No. 1899,  
VETERANS OF FOREIGN WARS.

WATERLOO, IOWA, December 16, 1931.

United States Senator BROOKHART:  
You are urged by members of Eugene Clark Post, 1623, Veterans of Foreign Wars, to withhold favorable vote on moratorium until pension and cash bonus are assured.  
B. M. STRAYER,  
Post Commander.

DES MOINES, IOWA, December 16, 1931.

Senator SMITH W. BROOKHART,  
Member Congress:  
Please oppose debt moratorium until legislation favorable to World War widows and orphans pension and cash payment of bonus is assured.  
MILTON W. STRICKLER,  
Legislative Committee,  
Department of Iowa, Veterans of Foreign Wars.

CLINTON, IOWA, December 16, 1931.

Hon. S. W. BROOKHART,  
Senator from Iowa:  
The Clinton County Post, 2288, Veterans of Foreign Wars, request that you withhold a favorable vote on the moratorium until pension and cash bonus are assured.  
BENJ. P. DVORAK, Adjutant.

WAVERLY, IOWA, December 16, 1931.

Hon. SMITH W. BROOKHART,  
United States Senator, Senate Office Building:  
Withhold favorable vote on foreign-war debt moratorium until our veterans' welfare program is assured. Please consider some relief before foreign relief.  
A. C. KOHLMANN,  
Commander Veterans of Foreign Wars, Post 2208.

DES MOINES, IOWA, December 15, 1931.

SMITH W. BROOKHART,  
United States Senator of Iowa, Washington, D. C.:  
Withhold favorable vote on moratorium foreign war debt until widows and orphans' bill and cash payment of bonus is assured.  
HARRY W. WARRICK,  
Commander Veterans of Foreign Wars, Post 738,  
Des Moines, Iowa.

ROCKWELL CITY, IOWA, December 16, 1931.

Senator SMITH W. BROOKHART:  
Respectfully urge withhold favorable vote on moratorium until pension and cash bonus assured.  
CALHOUN POST, 1875, VETERANS OF FOREIGN WARS.

WEST LIBERTY, IOWA, December 16, 1931.

Senator S. W. BROOKHART:  
Withhold vote on moratorium until pension and cash bonus are assured.  
COMMANDER ED H. MACKEY,  
Miller Raver Post, 2308.

JEFFERSON, IOWA, December 16, 1931.

SMITH W. BROOKHART:  
Comrade, the veterans of this county request that the foreign war debt moratorium vote be withheld until the World War widows and orphans' pension, and all other veterans' legislation have been taken care of. We feel that veterans' legislation should have priority.  
GREENE COUNTY POST, 2203, VETERANS OF FOREIGN WARS.

MONTICELLO, IOWA, December 16, 1931.

Hon. SMITH W. BROOKHART,  
Senate Office Building, Washington, D. C.:  
Monticello Post, 4, Foreign Wars, keenly interested in World War widows' pension and immediate cash payment of bonus, and fears that favorable vote on foreign war debt moratorium may prejudice these relief measures. Urge that vote on moratorium be withheld until passage of pensions and cash bonus bills assured. We ask that American soldiers be preferred to foreign debtors.

HENRY OHE,  
Commander.  
W. H. JARRETT,  
Adjutant.  
E. E. REED,  
Chairman Legislative Committee.

REPORTS OF THE COMMITTEE ON CLAIMS

Mr. HOWELL, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 258. An act authorizing adjustment of the claim of H. E. Hurley (Rept. No. 4);  
S. 468. An act for the relief of the estate of Benjamin Braznell (Rept. No. 5); and  
S. 551. An act for the relief of Blanch Broomfield (Rept. No. 6).

PRINTING OF REPORT OF DAUGHTERS OF THE AMERICAN REVOLUTION

Mr. SHIPSTEAD, from the Committee on Printing, reported the following resolution (S. Res. 104):

Resolved, That the Thirty-fourth Annual Report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1931, be printed, with illustrations, as a Senate document.

ANNA JARVIS

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, reported back favorably without amendment concurrent resolution (S. Con. Res. 2) submitted by Mr. HULL on the 9th instant, which was read, considered by unanimous consent, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there shall be paid out of the contingent funds of the Senate and House of Representatives to Anna Jarvis, widow of Grant Jarvis, late an employee of the Joint Committee on Internal Revenue Taxation, a sum equal to six months of his compensation as such employee, one-half of said sum to be paid by the Senate and one-half by the House, and an additional amount, not exceeding \$250, to defray the funeral expenses of said Grant Jarvis, shall be paid by the House.

NOBLE M. CLARK

Mr. TOWNSEND, from the same committee, reported back favorably without amendment the resolution (S. Res. 41) submitted by Mr. REED on the 9th instant.

Mr. REED. Mr. President, I ask for the present consideration of the resolution.

There being no objection, the resolution was read, considered, and agreed to, as follows:

Resolved, That the Sergeant at Arms hereby is authorized and directed to continue the employment of Noble M. Clark as a messenger in accordance with the provisions of Senate Resolution No. 72, agreed to July 14, 1911.

HEARINGS BEFORE COMMITTEE ON PRIVILEGES AND ELECTIONS

Mr. TOWNSEND, from the same committee, reported back favorably without amendment the resolution (S. Res. 59) submitted by Mr. SHORTRIDGE on the 10th instant, which was read, considered by unanimous consent, and agreed to as follows:

Resolved, That the Committee on Privileges and Elections, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-second Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE FOREIGN RELATIONS COMMITTEE

Mr. TOWNSEND, from the same committee, reported back favorably without amendment the resolution (S. Res. 74)

submitted by Mr. BORAH on the 14th instant, which was read, considered by unanimous consent, and agreed to as follows:

*Resolved*, That the Committee on Foreign Relations, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-second Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

RETAIL PRICES OF WHEAT, MEAT, AND SUGAR PRODUCTS

Mr. TOWNSEND, from the same committee, reported back favorably with an amendment the resolution (S. Res. 76) submitted by Mr. McNARY on the 14th instant, which was read as follows:

*Resolved*, That the Senate Resolutions Nos. 374, agreed to January 16, 1931, and 407, agreed to January 19, 1931, authorizing and directing the Committee on Agriculture and Forestry to investigate the failure of retail prices of wheat, meat, and sugar products to reflect the decline in prices paid the producer of such food products, hereby are continued in full force and effect during the Seventy-second Congress.

The Senate by unanimous consent proceeded to consider the resolutions.

The amendment was, in line 3, before the figures "1931," to strike out "19" and insert "28."

The amendment was agreed to.

The resolution as amended was agreed to.

LIZZETTE K. BAER

Mr. TOWNSEND, from the same committee, reported back favorably without amendment the resolution (S. Res. 78) submitted by Mr. SHORTRIDGE on the 14th instant, which was read, considered by unanimous consent, and agreed to as follows:

*Resolved*, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1931, to Lizzette K. Baer, widow of Nathan Baer, late a messenger of the Senate under direction of the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

HEARINGS BEFORE COMMITTEE ON INDIAN AFFAIRS

Mr. TOWNSEND, from the same committee, reported back favorably, without amendment, the resolution (S. Res. 79), submitted by Mr. FRAZIER on the 14th instant, which was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Committee on Indian Affairs, or any subcommittee thereof, is authorized, during the Seventy-second Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON EDUCATION AND LABOR

Mr. TOWNSEND, from the same committee, reported back favorably, without amendment, the resolution (S. Res. 80), submitted by Mr. METCALF on the 14th instant, which was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Committee on Education and Labor, or any subcommittee thereof, is hereby authorized, during the Seventy-second Congress, to send for persons, books, and papers, to administer oaths, and employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

Mr. TOWNSEND, from the same committee, reported back favorably, without amendment, the resolution (S. Res. 81), submitted by Mr. KEYES on the 14th instant, which was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Committee on Public Buildings and Grounds, or any subcommittee thereof, is authorized during the Seventy-

second Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

PAGE FOR THE SENATE LIBRARY

Mr. TOWNSEND, from the same committee, reported back favorably, without amendment, the resolution (S. Res. 83), submitted by Mr. WATSON on the 14th instant, which was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Sergeant at Arms hereby is authorized and directed to employ a page for the Senate library, to be paid at the rate of \$120 per month from the contingent fund of the Senate until otherwise provided by law.

AGNES O'CONNOR MOORE

Mr. TOWNSEND, from the same committee, reported back favorably the resolution (S. Res. 90), submitted by Mr. LA FOLLETTE on the 15th instant, which was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1931, to Agnes O'Connor Moore, widow of Peter H. Moore, late a messenger of the Senate under the supervision of the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

HEARINGS BEFORE THE COMMITTEE ON TERRITORIES AND INSULAR AFFAIRS

Mr. TOWNSEND, from the same committee, reported back favorably without amendment the resolution (S. Res. 91) submitted by Mr. BINGHAM on the 15th instant, which was read, considered by unanimous consent and agreed to, as follows:

*Resolved*, That the Committee on Territories and Insular Affairs, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-second Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

ALABAMA CONTESTED ELECTION—EXPENSES

Mr. TOWNSEND, from the same committee, reported back favorably with an amendment the resolution (S. Res. 69) submitted by Mr. SHORTRIDGE on the 10th instant.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, on page 1, line 7, to strike out "\$50,000" and insert "\$30,000," so as to make the resolution read:

*Resolved*, That the Committee on Privileges and Elections, authorized by resolution of February 28, 1931, to hear and determine the pending contest between John H. Bankhead and J. Thomas Heflin involving the right to membership in the United States Senate as Senator from the State of Alabama, hereby is authorized to expend from the contingent fund of the Senate \$30,000 in addition to the amount heretofore authorized for such purpose.

The amendment was agreed to.

The resolution as amended was agreed to.

PAULINE L. WATTS

Mr. TOWNSEND, from the same committee, reported back favorably with an amendment the resolution (S. Res. 57) submitted by Mr. McNARY on the 9th instant.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, on page 1, line 6, to strike out "one year's" and insert "six months'," so as to make the resolution read:

*Resolved*, That the Secretary of the Senate is hereby authorized and directed to pay, out of the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1932, to Pauline L. Watts, widow of William Watts, late elevator operator in the Senate Office Building, a sum equal to six months' compensation at the rate at which such William Watts was receiving compensa-

tion by law at the time of his death, such sum to be considered inclusive of funeral expenses and all other expenses.

The amendment was agreed to.

The resolution as amended was agreed to.

EXPENSES OF SPECIAL COMMITTEE INVESTIGATING THE CONSERVATION OF WILD-ANIMAL LIFE

Mr. TOWNSEND, from the same committee, reported back favorably with an amendment the resolution (S. Res. 37) submitted by Mr. WALCOTT on the 9th instant.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, on page 1, line 5, to strike out "\$10,000" and insert "\$5,000," so as to make the resolution read:

Resolved, That the special committee authorized and directed by Senate Resolution No. 246 on April 17, 1930, to investigate the conservation of wild-animal life hereby is authorized to expend in furtherance of such purposes \$5,000 in addition to the amounts heretofore authorized.

The amendment was agreed to.

The resolution as amended was agreed to.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH of Montana:

A bill (S. 2142) conferring upon the Court of Claims jurisdiction of claims against the United States in connection with the Bowdoin Canal irrigation project, Montana; to the Committee on Claims.

A bill (S. 2143) for the relief of Blaine County, Mont.; to the Committee on Indian Affairs.

A bill (S. 2144) authorizing the Secretary of the Interior to grant a patent to certain lands to Charles R. Thornton; to the Committee on Public Lands and Surveys.

By Mr. WATSON:

A bill (S. 2145) to extend the time for the refunding of certain taxes erroneously collected under the acts of June 13, 1898, and October 22, 1914; to the Committee on Finance.

By Mr. FRAZIER:

A bill (S. 2146) to prohibit experiments upon living dogs in the District of Columbia and providing a penalty for violation thereof; to the Committee on the District of Columbia.

By Mr. SMOOT:

A bill (S. 2147) granting relief to James H. Allred; to the Committee on Pensions.

By Mr. BROOKHART:

A bill (S. 2148) for the relief of Clarence R. Killion; to the Committee on Military Affairs.

By Mr. CAREY:

A bill (S. 2149) granting an increase of pension to Rose L. Bard (with accompanying papers); to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 2150) granting a pension to Hosea F. Dearth; to the Committee on Pensions.

By Mr. DAVIS:

A bill (S. 2151) for the relief of Artemus W. Pentz; to the Committee on Claims.

By Mr. THOMAS of Idaho:

A bill (S. 2152) to authorize the Secretary of the Interior to grant a moratorium on payment of construction charges on reclamation projects and on payments under Warren Act contracts and to defer charges past due and to make the necessary regulations to give effect to this act; to the Committee on Irrigation and Reclamation.

By Mr. MOSES:

A bill (S. 2153) granting a pension to Jennie M. Annis (with accompanying papers); and

A bill (S. 2154) granting an increase of pension to Herbert M. Sanders (with accompanying papers); to the Committee on Pensions.

By Mr. DILL:

A bill (S. 2155) for the relief of Fred M. Smith; and

A bill (S. 2156) for the relief of Thomas E. Upton; to the Committee on Military Affairs.

By Mr. SWANSON:

A bill (S. 2157) making supplemental appropriations to provide for emergency construction on certain public highways during the remainder of the fiscal year ending June 30, 1932, with a view to increasing employment; to the Committee on Post Offices and Post Roads.

A bill (S. 2158) to reimburse certain individuals for damages by reason of loss of oyster rights in Little Bay, Va., due to the taking of the same by the United States for the purpose of operating thereon a naval air training station; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 2159) for the relief of the Columbia Casualty Co.; and

A bill (S. 2160) for the relief of John L. Hoffman; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

A bill (S. 2161) to grant increased pensions to certain survivors of the Indian wars; to the Committee on Pensions.

By Messrs. WALCOTT and HAWES:

A bill (S. 2162) to provide for the establishment and maintenance of a game and fish demonstration station situated near the National Capital; to provide a method for its selection; to provide an advisory board; to provide for its administration; to train men to become experts in fish culture, game farming, and game administration; to provide for lending such trained experts to the States to assist in working out State game programs and problems; to promote fish and game extension work by furnishing fish and game experts to agricultural colleges presenting satisfactory programs for fish and game fact finding to make available to the public, to fish and game commissions of the States, to schools and colleges, and to others the results of the studies relating to fish, birds, and animals; to provide for the acceptance of gifts, bequests, grants, and donations of land, money, and/or equipment for the station; to provide an appropriation for the purchase and maintenance thereof; and for other purposes; to the Special Committee on Conservation of Wild Life Resources.

By Mr. CAREY:

A bill (S. 2163) for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law; to the Committee on Irrigation and Reclamation.

By Mr. KEAN:

A bill (S. 2164) to provide for the disposal of the Muscle Shoals properties by the United States; to the Committee on Agriculture and Forestry.

A bill (S. 2165) to transfer certain functions relating to the retirement of employees in the civil service to the Civil Service Commission; to the Committee on Civil Service.

A bill (S. 2166) to correct the military record of Albert Anderson; and

A bill (S. 2167) for the relief of Robert J. Foster; to the Committee on Military Affairs.

A bill (S. 2168) for the relief of Elizabeth T. Cloud;

A bill (S. 2169) authorizing certain importers of sugar into the United States from the Argentine Republic during the year 1920 to submit claims to the Court of Claims;

A bill (S. 2170) to amend an act entitled "Settlement of war claims act, 1928"; and

A bill (S. 2171) directing the Court of Claims to reopen the case of the City of Cape May, N. J., against the United States, No. E-618, and readjudicate the issues therein upon the pleadings and the evidence heretofore submitted to said court in said cause; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 2172) to provide old-age securities for persons over 60 years of age residing in the District of Columbia, and for other purposes;

A bill (S. 2173) to authorize associations of employees in the District of Columbia to adopt a device to designate the products of the labor of their members, to punish



illegal use or imitation of such device, and for other purposes; and

A bill (S. 2174) to amend an act to regulate the height, area, and use of buildings in the District of Columbia and to create a zoning commission, and for other purposes, approved March 1, 1920; to the Committee on the District of Columbia.

A bill (S. 2175) granting an increase of pension to Lee R. Duncan (with accompanying papers);

A bill (S. 2176) granting an increase of pension to Floretta Knopf (with accompanying papers); and

A bill (S. 2177) granting a pension to Sarah E. Tronjo; to the Committee on Pensions.

By Mr. GOLDSBOROUGH:

A bill (S. 2178) to exempt from taxation certain property of the National Society of the Sons of the American Revolution in Washington, D. C.; to the Committee on the District of Columbia.

A bill (S. 2179) for the relief of Alexander M. Proctor; to the Committee on Military Affairs.

A bill (S. 2180) for the relief of the New Amsterdam Casualty Company (with accompanying papers); to the Committee on Claims.

By Mr. SHORTRIDGE:

A bill (S. 2181) to provide for the establishment of a Coast Guard station at or near Crescent City, Calif.; to the Committee on Commerce.

A bill (S. 2182) granting a pension to J. G. Brickel; to the Committee on Pensions.

A bill (S. 2183) to reimburse the members of Company B, California Engineers, in the aggregate amount personally expended by them for United States Army equipment; and

A bill (S. 2184) for the payment of certain citizens of damages because of loss of their property in the general mess building of the Pacific Branch of the National Home for Disabled Volunteer Soldiers when said building was destroyed by fire on March 24, 1927; to the Committee on Claims.

A bill (S. 2185) to amend section 19 of the World War veterans' act, 1924, as amended;

A bill (S. 2186) to amend section 200 of the World War veterans' act, as amended;

A bill (S. 2187) to authorize the erection of a Veterans' Bureau hospital for women in the State of California, and to authorize the appropriation therefor;

A bill (S. 2188) to authorize appropriations for construction at the Pacific Branch of the National Soldiers' Home, Los Angeles County, Calif., and for other purposes;

A bill (S. 2189) to authorize the erection of an addition to Veterans' Bureau Hospital No. 104 at San Fernando, Calif., and to authorize the appropriation therefor; and

A bill (S. 2190) to amend section 300 of the World War veterans' act, 1924, as amended; to the Committee on Finance.

A bill (S. 2191) authorizing the award of campaign insignia to war correspondents and war artists;

A bill (S. 2192) to readjust the pay of certain warrant officers and retired enlisted men;

A bill (S. 2193) to provide for the appointment as warrant officers of the Regular Army of certain civilian clerks of the Quartermaster Corps;

A bill (S. 2194) to establish an aviation flag of the United States of America;

A bill (S. 2195) to confer upon certain former engineer field clerks the status of honorably discharged Army field clerks;

A bill (S. 2196) granting to certain enlisted men of the Army, honorably discharged for disability, the pay of retired warrant officers; and

A bill (S. 2197) to readjust the allowances of retired enlisted men of the Army, Navy, and Marine Corps; to the Committee on Military Affairs.

By Mr. HASTINGS:

A bill (S. 2198) to amend paragraph (3) of section 1 of the interstate commerce act; to the Committee on Interstate Commerce.

A bill (S. 2199) exempting building and loan associations from being adjudged bankrupts; to the Committee on Banking and Currency.

A bill (S. 2200) to authorize the presentation of a medal of honor, posthumously, to the late Henry Clay Drexler; to the Committee on Naval Affairs.

A bill (S. 2201) for the refund of estate tax erroneously collected; to the Committee on Finance.

A bill (S. 2202) for the relief of Harry C. Saxton; and

A bill (S. 2203) for the relief of John Pearce Cann; to the Committee on Claims.

A bill (S. 2204) granting an increase of pension to Sarah E. Smith (with accompanying papers);

A bill (S. 2205) granting an increase of pension to Mary E. Young (with accompanying papers);

A bill (S. 2206) granting an increase of pension to W. Lillian Steventon (with accompanying papers); and

A bill (S. 2207) granting an increase of pension to Mary J. McIntyre (with accompanying papers); to the Committee on Pensions.

A bill (S. 2208) for the relief of Robert Wolfe;

A bill (S. 2209) for the relief of Charles E. Lynch;

A bill (S. 2210) for the relief of Edward O'Neill; and

A bill (S. 2211) for the relief of Charles Holding (with accompanying papers); to the Committee on Military Affairs.

By Mr. JONES:

A bill (S. 2212) to authorize acquisition of complete title to the Puyallup Indian Tribal School property at Tacoma, Wash., for Indian sanatorium purposes; to the Committee on Indian Affairs.

By Mr. BARKLEY:

A bill (S. 2213) reducing the rates of taxation on tobacco products; and

A bill (S. 2214) to amend section 501 of the revenue act of 1926, as amended; to the Committee on Finance.

A bill (S. 2215) to amend paragraph (4) of section 1 and paragraph (3) of section 3 of the interstate commerce act; to the Committee on Interstate Commerce.

A bill (S. 2216) authorizing persons, firms, corporations, associations, or societies to file bills of interpleader; to the Committee on the Judiciary.

A bill (S. 2217) granting an increase of pension to Nannie Curry; to the Committee on Pensions.

By Mr. HARRIS:

A bill (S. 2218) for the relief of Lamar Jamerson; to the Committee on Military Affairs.

A bill (S. 2219) for the relief of Mrs. E. J. McCardle; and

A bill (S. 2220) for the relief of Thomas L. Ross; to the Committee on Claims.

By Messrs. WATERMAN, COSTIGAN, BRATTON, CUTTING, SHEPARD, and CONNALLY:

A bill (S. 2221) authorizing the construction of a drainage channel in the closed basin of the San Luis Valley in Colorado, authorizing investigations of reservoir sites, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. McKELLAR:

A bill (S. 2222) granting a pension to Fannie Lou Cate Harmon (with accompanying papers); and

A bill (S. 2223) granting a pension to Eliza J. Logan (with accompanying papers); to the Committee on Pensions.

By Mr. McNARY:

A joint resolution (S. J. Res. 58) to authorize the printing of the annual reports of the Federal Farm Board without limitation as to number; to the Committee on Printing.

By Mr. SHORTRIDGE:

A joint resolution (S. J. Res. 59) to extend the statute of limitations, and for other purposes; to the Committee on Finance.

By Mr. CAPPER:

A joint resolution (S. J. Res. 60) authorizing the distribution of Government-owned wheat to States or organizations for relief of people in distress; to the Committee on Agriculture and Forestry.

PROPOSED REFERENDUM ON CONSTITUTIONAL AMENDMENTS

Mr. BINGHAM. Mr. President, a good deal of discussion has appeared recently in the public press with reference to the desirability of holding a referendum. It is not known how such a referendum might be held, there being no provision in the Constitution for a referendum as such. Various efforts have been made to present amendments to the Constitution in such a way as to provide for conventions in the States, especially chosen to consider such amendments. With the aid of a distinguished citizen of Connecticut, Mr. Selden Bacon, an attorney at law, I have prepared an amendment to the Constitution providing for the election of conventions in a new manner, which I ask to have read and referred to the Committee on the Judiciary.

The VICE PRESIDENT. Let it be read for the information of the Senate.

The joint resolution (S. J. Res. 57) proposing an amendment to the Constitution of the United States, was read the first time by its title, the second time at length, and referred to the Committee on the Judiciary, as follows:

*Resolved by the Senate and House of Representatives of the United States of America assembled (two-thirds of each House concurring therein), That the following is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by conventions in three-fourths of the several States, which conventions shall be composed in each State of delegates elected by a majority vote of the electors of the State voting at such election:*

"Article V of the United States Constitution is hereby amended by adding thereto the following:

"Provided, however, That no amendment conferring on the Government of the United States any added powers over the people of the United States or their individual rights, or any of them, shall hereafter be adopted validly otherwise than by conventions of the people meeting in their several States; and that any adoption of any amendment, whether by legislatures or by conventions, in order to be operative, shall be made within seven years after the proposal of such amendment.

"The members of any constitutional convention in any State called for the adoption of any proposed amendment shall be elected at a separate public election, to be held not less than 90 days subsequent to the proposal of the amendment, at which election each qualified voter of the State shall be entitled to one vote for all the members of the convention.

"The number of members to be elected to any such State convention shall in no case be less than the total number of Members of Congress and of the Senate of the United States to which such State shall be by law entitled at the time of the proposal of the amendment. The individual qualifications of members of such State conventions shall be the same as those now prescribed for members of the Electoral College.

"The control of all other details of selection and meetings of any such conventions in the several States shall lie with the several States, respectively.

"Any State or its people may by State constitutional provision hereafter enacted regulate the exercise of the power of the legislature of such State to adopt amendments to the Constitution of the United States."

Mr. BINGHAM. Mr. President, the International News Service has recently conducted an extremely interesting poll by consulting Members of the Senate and House of Representatives in regard to their desires or wishes relative to a referendum, and, in view of the great public interest in this matter, may I venture to express to the chairman of the Judiciary Committee the hope that the committee may hold hearings on this proposed amendment and similar amendments at an early date, in order, this being the long session of Congress, that we may have an opportunity for debating, under the rules of the Senate, at an appropriate time this question and similar questions closely related to it.

Mr. NORRIS. Mr. President, in the case of the amendment submitted by the Senator from Connecticut, or any other amendment to the Constitution which may be submitted to the Judiciary Committee, if the Senator who submits it is anxious for a hearing and the appointment of a subcommittee, I have no doubt that the request will be granted without any delay whatever. I will say to the Senator from Connecticut that I shall be very glad to appoint a subcommittee as soon as the Committee on the Judiciary meets, and he will be notified of the membership of that subcommittee.

No. 9—2

Mr. BINGHAM. I thank the Senator.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on the Judiciary.

PRINTING OF HEARINGS ON "AGRICULTURAL CONFERENCE AND FARM BOARD INQUIRY"

Mr. McNARY submitted the following concurrent resolution (S. Con. Res. 4), which was referred to the Committee on Printing:

*Resolved by the Senate (the House of Representatives concurring). That, in accordance with paragraph 3 of section 2 of the printing act, approved March 1, 1907, the Committee on Agriculture and Forestry of the Senate be, and is hereby, empowered to have printed 5,000 additional copies of the hearings held before the committee on "Agricultural Conference and Farm Board Inquiry" during the current session.*

FLOTATION IN AMERICA OF FOREIGN LOANS

Mr. GORE. I send to the desk a Senate resolution, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution (S. Res. 102) was read, as follows:

*Resolved, That the Secretary of State be directed to transmit to the Senate at once a list of all the names of banking houses and other institutions, partnerships, and individuals that have, since the conclusion of peace with Germany, notified the State Department of their purpose to float a foreign loan or to sell foreign securities in this country, showing the number and date of each such notification by each of such agencies.*

The VICE PRESIDENT. The Senator from Oklahoma asks unanimous consent for the immediate consideration of the resolution. Is there objection?

Mr. SMOOT. I should like to have the resolution lie on the table.

The VICE PRESIDENT. Under objection, the resolution will go over.

COMMUNICATIONS OF FOREIGN DEBTOR GOVERNMENTS

Mr. GORE. I send another Senate resolution to the desk and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Let the resolution be read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 103), as follows:

*Resolved, That the President be requested, if not incompatible with the public interest, to transmit to the Senate any and all correspondence and communications by and between any representative of the United States and any foreign government debtor of the United States concerning its indebtedness to this Government and concerning reparation payments or concerning the alleged relationship between such debts and such payments.*

The VICE PRESIDENT. The Senator from Oklahoma asks unanimous consent for the immediate consideration of the resolution. Is there objection?

Mr. SMOOT. Let the resolution go over, Mr. President.

The VICE PRESIDENT. On objection, the resolution will go over.

Mr. GORE subsequently said: Mr. President, I desire to make a request at the instance of the senior Senator from Utah [Mr. Smoot], who is also chairman of the Finance Committee. I ask that the Senate resolutions which I introduced this morning may be referred to the Committee on Finance. I have the assurance of the Senator that the resolutions will be given early consideration.

The VICE PRESIDENT. Without objection, Senate Resolution 102 and Senate Resolution 103, submitted by the Senator from Oklahoma [Mr. Gore], will be referred to the Committee on Finance.

HEARINGS BEFORE THE INTERSTATE COMMERCE COMMITTEE

Mr. COUZENS submitted the following resolution (S. Res. 105), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved, That the Committee on Interstate Commerce, or any subcommittee thereof, is authorized, during the Seventy-second Congress, to send for persons, books and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.*

SMITHS CREEK, WILMINGTON, N. C. (S. DOC. NO. 23)

Mr. JOHNSON presented a letter from the Chief of Engineers, United States Army, to the chairman of the Senate Committee on Commerce, submitting a review of the report on Smiths Creek in the vicinity of Wilmington, N. C., etc., which, on motion by Mr. JOHNSON, was ordered to be printed, with illustrations.

TAMPA AND HILLSBORO BAYS, FLA. (S. DOC. NO. 22)

Mr. JOHNSON presented a letter from the Chief of Engineers, United States Army, to the chairman of the Senate Committee on Commerce, submitting a review of the report of Tampa and Hillsboro Bays, Fla., submitted to Congress by the Secretary of War on December 12, 1927, published in House Document No. 100, Seventieth Congress, etc., which, on motion by Mr. JOHNSON, was ordered to be printed, with illustrations.

#### CHANGE OF REFERENCE

Mr. COSTIGAN. Mr. President, the bill (S. 174) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes, has been referred to the Committee on Commerce. If appropriate at this time, I ask that that committee be discharged from the further consideration of the bill and that it be referred to the Committee on Manufactures.

Mr. JOHNSON. Mr. President, there is no objection on the part of the Commerce Committee. I am agreeable that the order may be made.

The VICE PRESIDENT. Without objection, that order will be made.

#### CONDITIONS IN MANCHURIA

Mr. ROBINSON of Arkansas. Mr. President, if there be no objection—

Mr. HARRISON. Mr. President, may I suggest the absence of a quorum?

Mr. ROBINSON of Arkansas. I was about to state, and with the consent of the Senator from Mississippi, will state—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Mississippi for the purpose of calling a quorum?

Mr. ROBINSON of Arkansas. I shall yield in just a moment.

Mr. JOHNSON. Mr. President, if the Senator from Arkansas is going to make some remarks, will he pardon me if I first make a request?

Mr. ROBINSON of Arkansas. I yield to the Senator from California.

Mr. JOHNSON. May I have a resolution coming over from yesterday now considered? It was objected to on yesterday by the Senator from Connecticut [Mr. BINGHAM], but he has since withdrawn his objection to the consideration of the resolution.

Mr. ROBINSON of Arkansas. I will yield the floor for the present.

Mr. JOHNSON. I thank the Senator from Arkansas. I ask unanimous consent that Senate Resolution 87 may now be considered.

The VICE PRESIDENT. Is there objection? Let the resolution be read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 87), which had been reported from the Committee on Foreign Relations with an amendment, on page 1, line 4, after the article "the" where it occurs the second time, to strike out "Governments of China and Japan or to the Government of" and to insert "Government of China, Japan, and/or," so as to make the resolution read:

Resolved, That the Secretary of State be, and he is hereby, requested to transmit to the Senate the notes, correspondence, and communications from the Government of the United States to the Government of China, Japan, and/or any other nation relating to the present existing conditions in Manchuria, and the controversy between China and Japan, which has resulted in armed encounters in Manchuria; and particularly any messages, notes, or communications from the United States Government to either the Governments of Japan or China referring to the treaty entered into at the city of Washington on the 6th day of February, 1922, by the United States, Belgium, British Empire, China, France, Italy,

Japan, the Netherlands, and Portugal, known as the 9-power treaty, and referring to the treaty entered into by Japan and China, the United States and other nations, and commonly known as the Kellogg pact; and also the notes, messages, letters, and communications sent or transmitted by the Government of the United States to the League of Nations or any individual or committee representing the League of Nations relating to the said conditions in Manchuria, and the said Chinese and Japanese controversy; or sent or transmitted to any individual or individuals representing the Government of the United States in said matters acting with or in conjunction with the League of Nations or the Council of the League of Nations, or any individual or committee representing the League of Nations or the Council of the League of Nations.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. KING. Mr. President, may I inquire of my friend from California whether he does not think, in view of the acute situation in Manchuria, that it would be wise and proper to insert in the resolution words to this effect, "providing that the same is not incompatible with the public interest." The controversy between China and Japan has presented many difficult and delicate situations, which have called for diplomatic skill of the highest order, to the end that a great conflagration might be averted. Our Government has had an important and honorable place among the various nations that have been dealing with this critical matter. It may be that the present moment is not the most suitable for giving publicity to all the negotiations that have taken place, and which are still in progress, concerning the question referred to.

Mr. JOHNSON. Mr. President, I respond to the Senator from Utah by saying that it would not be inappropriate, neither would it be appropriate. It is such a resolution as can be responded to in exactly that form by the Secretary of State, if he so desires. That was, I think, the conclusion the committee reached. It may be put in either form. The Secretary of State, under a ruling which the Senate has made, may respond and say that it is incompatible with the public interest that certain communications shall be disclosed, and the Senate has ruled, within my recollection and within a brief period, that that is conclusive. So, it is left to him to determine.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield.

Mr. BORAH. May I say that that question was before the committee, and the committee had in mind the proposition that, whether the phrase referred to by the Senator from Utah was in the resolution or whether it was not in the resolution, the power of the Secretary of State is the same, and, as there were precedents both ways, we did not think it necessary to insert the words suggested.

Mr. KING. Mr. President, it seems to me that when we are dealing with matters within the jurisdiction of the executive department, and particularly where they pertain to our foreign relations, and where an acute and complicated situation exists, such as we find in the Orient, it might be unwise to ask the State Department to make public the communications which have passed between our Government and other governments in respect to such situation.

Mr. JOHNSON. Mr. President, if the Senator will permit me—

Mr. KING. Certainly.

Mr. JOHNSON. We can either compel or require it. The Secretary of State will answer as he sees fit. Such things as he believes are not incompatible with the public interest I assume he will furnish the Senate; such things as he believes it is incompatible with the public interest to make public he will not furnish to the Senate. If so, I submit to the Senator from Utah that nothing is really accomplished, and I trust—because I am trenching upon the time of the Senator from Arkansas—that he will permit the resolution to be adopted.

Mr. KING. Mr. President, I shall not object to the consideration of the resolution. I believe, however, that the burden carried by the Secretary of State at this particular juncture is so heavy that he should have the support and sympathy of his countrymen. For myself, I commend him

for the excellent work which he has been doing in connection with a most critical situation, and I should be averse to asking him to disclose any information that might embarrass the State Department or those governments with which our Government has been cooperating in the efforts being made to prevent an international conflict, the serious consequences of which must be apparent to all.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. ROBINSON of Arkansas. Mr. President, before—

Mr. HARRISON. Now, I renew my suggestion, Mr. President.

Mr. ROBINSON of Arkansas. Just a moment.

The VICE PRESIDENT. The Senator from Arkansas does not yield for that purpose.

Mr. ROBINSON of Arkansas. I arise now for the purpose of making reference to the question raised by the Senator from Utah [Mr. KING].

The resolution which is now to come before the Senate was considered at length on yesterday by the Committee on Foreign Relations. Various questions as to the proper procedure were raised and determined by the committee. The conclusion was reached that under the precedents of the Senate, under the practice that has prevailed, the Secretary of State will determine whether the submission to the Senate committee of any data in his possession would be incompatible with the public interest, and that it would be a mere formality to amend the resolution in that particular.

Under the practice which has not been criticized recently, there is no doubt that the Secretary will retain as confidential any matter the publication of which, in his opinion, would endanger the public interest. For that reason the resolution was not amended as suggested by the Senator from Utah.

Everyone realizes that a critical situation exists in the Orient. Forces have been set in movement there that threaten the peace of a large portion of the population of the world. Many members of the Committee on Foreign Relations feel that publicity as to what is going on, and as to what steps are being taken to advance or safeguard the cause of peace, will of itself contribute to its preservation.

The old-time practices of withholding information from a people, who must pay the cost and bear the burden of fierce conflicts, have little support in the judgment of those who believe that substantially the same rules which govern conduct between individuals should be applied to transactions between nations. When the time comes, if it ever does come, that full information is made available to the public, there will be far less likelihood of involving this country, its people, and its resources in Old World wars than if the methods of secret diplomacy are given sanction and support.

It is readily conceivable to me that there may be in the record some matters which ought not to be published; but I do not care to invite the withholding of information which throws real light on the situation by incorporating in the resolution the suggestion referred to by the Senator from Utah.

We do not know what causes have set in motion the forces now at work. We do not know to what extent those forces may move. It may be that we are powerless to interrupt or to stay them; but it is right and proper that this body, charged with a measure of responsibility in crises like that at hand, should have all the information available to guide us in our action.

Mr. SHORTRIDGE. Mr. President, may I inquire of the Senator from Arkansas whether he would have this information submitted to the Senate as in executive session, or as in open session?

Mr. ROBINSON of Arkansas. The resolution calls for the submission of the information to the Senate; and I assume that unless the resolution is changed it would be subject to publication.

Mr. SHORTRIDGE. May I ask the thoughtful Senator whether he would advise or suggest, now or hereafter, that this information, whatever it may be, should be submitted

to the Senate as in executive session? If that is his opinion, I will respect it.

Mr. ROBINSON of Arkansas. Of course, it will come to the Senate in executive session; but since we hold open executive sessions unless the Senate otherwise orders, when the information reaches the Senate if it is found desirable to proceed to closed executive session when the character of the information to be divulged becomes known in a general way, the Senate will have control of the matter; and, for my part, I will reserve judgment on that question until it arises. I should like every bit of this information, every word of it that can be published, to be published. I think the people of the country are entitled to information as well as the Members of the Senate.

The VICE PRESIDENT. Is there objection?

Mr. GORE. Mr. President, I desire to address a question to the Senator from Arkansas in regard to the pending resolution; and I do this because his information on the subject is superior to any that I have.

The precedent used to be that when Congress sought information at the hands of a department it directed the Secretary to furnish the information, instead of requesting it. When information was sought at the hands of the President it was put in the form of a request, and the qualifying clause was added, "If not incompatible with the public interest." The point is whether or not we should recognize the right of the head of a department to comply or not to comply with the Senate's order or direction.

The precedent may have been changed. The Senator knows better than I.

Mr. ROBINSON of Arkansas. I think the resolution is in proper form. I do not think the effect of the resolution would be different if it employed the word "direct" instead of the word "request." So far as I am concerned, the word "request" is a polite term, and I prefer to use it.

Mr. NORRIS. Mr. President, I should like to suggest, in the interest of orderly procedure on this resolution, that if no objection be made to its consideration it be laid before the Senate; and then it will be open to debate or any amendment that may be offered, as I understand.

Mr. ROBINSON of Arkansas. I understood that the resolution had been laid before the Senate, and the Chair was just about to declare it disposed of.

Mr. NORRIS. If that is true, then I am in error.

Mr. ROBINSON of Arkansas. I appeal to the Chair on that point.

The VICE PRESIDENT. The resolution has been laid before the Senate and read.

Mr. ROBINSON of Arkansas. The Chair was just about to put the question on its passage.

Mr. NORRIS. I understood the Chair to say, "Is there objection?"

The VICE PRESIDENT. The Chair did that to give the Senator from Oklahoma a chance to be recognized.

Mr. FLETCHER. Mr. President, there is one inquiry I should like to make about this matter. Does the resolution call for this information to be furnished to the Committee on Foreign Relations or to the Senate?

Mr. JOHNSON. To the Senate.

Mr. FLETCHER. I was under the impression that it was to be furnished to the Committee on Foreign Relations.

Mr. JOHNSON. No, sir; to the Senate.

The VICE PRESIDENT. The question is on the amendment reported by the committee.

The amendment was agreed to.

The resolution, as amended, was agreed to.

#### POLICIES OF THE ADMINISTRATION

Mr. ROBINSON of Arkansas. Mr. President, a member of the President's Cabinet, the Secretary of War, Mr. Hurley, yesterday sought to arouse the slumbering cohorts of partisanship in an effort to glorify the achievements of President Hoover, and to criticize and condemn for their partisan action Democratic Members of Congress.

The occasion was the meeting of the Republican National Committee in the city of Washington; and perhaps, in pur-



suance of the custom that has long prevailed, some spokesman for the party was entitled to indulge in a measure of exaggeration.

The Secretary declared that the President has sent to Congress an economic program which, if enacted, will go far toward restoring normal conditions in the United States. He also declared that the President had taken on his shoulders the burdens of industry, finance, the railroads, the banks, the unemployed, and the distressed farmer; and that no one save the President is capable or has demonstrated capacity to ameliorate the present very distressing situation.

It must be apparent to one possessing ordinary intelligence that partisan Democratic measures can not prevail while the Republicans retain a majority of the Senate, and the Presidency with the veto power. President Hoover is constantly appealing for nonpartisan action. No sooner is that action obtained, however, than his spokesman, the Secretary of War, seeks to capitalize it into a glorious triumph for Hoover policies.

The only two outstanding partisan measures that have been enacted by the Congress since Mr. Hoover became President are the Smoot-Hawley Tariff Act of 1930 and the Federal farm marketing act. The Senator from Utah [Mr. Smoot] told us when the tariff measure was about to pass, and the Senator from Indiana [Mr. Watson] followed in an eloquent and glowing address, that immediately upon the passage of that measure the tides of adversity would be reversed, and that prosperity and happiness would again bless our land with abundance.

The President said that the Federal farm marketing act, framed in accordance with his personal views, would lift or lighten the burdens of agriculture and restore that industry to an equality with other industries. I ask those who hear me whether the eulogy pronounced by the Secretary of War on the Hoover administration is justified. Without attempting to ascribe now to the tariff law referred to its fair share of responsibility for the perpetuation of conditions which everyone knows are disturbing, and applying the same rule to the Federal farm marketing act, the fact is that business in the United States since the passage of those measures—business pertaining both to manufacturing and related industries and to agriculture—is in a worse condition than when those laws were passed.

Let not anyone imagine that it gives me any pleasure to make that declaration; for, after all, patriots or men claiming that title, whether Democrats or Republicans, must recognize as the first consideration the best interests of the country, and only that partisanship can in the end prevail which rests upon some such principle as that just stated.

Will anyone here assert that either the tariff act of 1930 or the Federal farm marketing act has been an emphatic success? From every part of the country we hear complaints and criticisms, and a measure of demand coming from Republicans and Democrats alike for the repeal of the Federal farm marketing act. That fact is stated for the single purpose of establishing my own conclusion, just asserted, that to whatever causes the result may be attributed the Federal farm marketing act has not proven of great benefit to agriculture.

I do not intend to go into the details of the criticisms urged against the manner of the administration of the law. I do not intend to relate the circumstance at length that the board's best remedy for low-priced cotton was for the farmer to plow up every third row and thus add to his own existing troubles the danger of being put in prison for destroying mortgaged property. Nor do I intend to analyze the processes by which the board has had on hand literally millions and millions of bushels of wheat while millions of people in the United States are suffering from hunger.

It might be said that for whatever cause the foreign commerce of the United States has been shrinking, shrinking, shrinking; and that the tariff act, which we were told would prove a panacea for all the ills with which we were afflicted, has been impotent to stop decline and depression. If the two acts to which I have referred have been successful, why is domestic business paralyzed in every section, why

are conditions pertaining to agriculture and unemployment constantly growing worse?

During the vacation of the Congress the President announced the threatened collapse of the German Government and appealed to so-called leaders, both Democrats and Republicans, in the two Houses of the Congress to indicate their consent to a moratorium respecting war debts which he proposed to suggest.

When the suggestion was made and the indications pointed to its acceptance, there was a slight quickening in business activity, which, however regrettably, continued for only a few days. Do Senators remember how prompt the President's propagandists, like the "Prophet Pat," were to claim credit for the Chief Executive as having saved the world from utter collapse, to glorify his name for an achievement which, while it had no lasting results in so far as our business or commerce was concerned, was given credit for having prevented a collapse in Germany?

Secretary Hurley is known as the Cabinet member closest to the President. In his address yesterday he bitterly assailed the Democrats in Congress, and sought to take advantage of their readiness to forego partisan opposition in so far as that can be done without sacrificing the public interests.

The moratorium was not the sole instance in which the President appealed to Democrats to show their patriotism by foregoing partisanship and to support his policies along with equally patriotic Republicans. When the naval arms limitation conference was about to assemble in London the President appointed a Democratic Senator as one of the delegates, and when the treaty was negotiated, and ratified with relatively more support from Democratic Senators than was accorded by Republican Senators, White House messengers raced to the news reporters and the press bureaus proclaiming the treaty as the outstanding triumph of Republican skill in the conduct of foreign relations.

The first delegate to be selected to the Geneva Disarmament Conference expected to convene next February is a Democratic Senator of international renown. The process of this administration is to ask the opposition to forego every partisan consideration, and, when that is done, to proclaim the results as distinct triumphs for President Hoover and his administration.

Realizing that the President will veto measures colored with Democratic partisanship should the same pass the Congress, it is our purpose and policy, just as far as I am capable of stating and defining it, to make every improvement possible in the measures brought forward during the present Congress, fully recognizing President Hoover's responsibility and duty to recommend and suggest and also his power to veto.

That does not mean that we shall become nonpartisan or that we shall fail to take fair advantage of the mistakes of our adversaries. It does mean that we recognize the perils which threaten our people in their affairs—perils which, if not brought about by Republican measures and policies, have certainly come into existence while the Republican Party has been in complete control of this Government.

When occasion arises we shall not hesitate to advocate reforms, but we do not expect to be able to reflect into legislation our views touching measures recognized as subjects concerning which the two parties emphatically disagree so long as the present occupant is in the White House or his party associates outnumber us in the Senate.

We intend to contribute our best efforts for the promotion of the welfare of the country, to pursue a sane and fair policy, and I do not believe that fair-minded citizens will give their support to a political organization whose head one day asks nonpartisan action and, when that is given, the next day holds aloft a flag of triumph in glorification of his own partisanship.

Mr. HARRISON. Mr. President, the timely remarks of the distinguished leader on this side prompt me to bring to the attention of the Senate another very striking figure, who played a very large part in the recent meeting of the Republican National Committee in Washington.

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Let not anyone imagine that it gives me any pleasure to make that declaration; for, after all, patriots or men claiming that title, whether Democrats or Republicans, must recognize as the first consideration the best interests of the country, and only that partisanship can in the end prevail which rests upon some such principle as that just stated.

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The President said that the Federal farm marketing act, framed in accordance with his personal views, would lift or lighten the burdens of agriculture and restore that industry to an equality with other industries. I ask those who hear me whether the eulogy pronounced by the Secretary of War on the Hoover administration is justified. Without attempting to ascribe now to the tariff law referred to its fair share of responsibility for the perpetuation of conditions which everyone knows are disturbing, and applying the same rule to the Federal farm marketing act, the fact is that business in the United States since the passage of those measures—business pertaining both to manufacturing and related industries and to agriculture—is in a worse condition than when those laws were passed.

Let not anyone imagine that it gives me any pleasure to make that declaration; for, after all, patriots or men claiming that title, whether Democrats or Republicans, must recognize as the first consideration the best interests of the country, and only that partisanship can in the end prevail which rests upon some such principle as that just stated.

Will anyone here assert that either the tariff act of 1930 or the Federal farm marketing act has been an emphatic success? From every part of the country we hear complaints and criticisms, and a measure of demand coming from Republicans and Democrats alike for the repeal of the Federal farm marketing act. That fact is stated for the single purpose of establishing my own conclusion, just asserted, that to whatever causes the result may be attributed the Federal farm marketing act has not proven of great benefit to agriculture.

I do not intend to go into the details of the criticisms urged against the manner of the administration of the law. I do not intend to relate the circumstance at length that the board's best remedy for low-priced cotton was for the farmer to plow up every third row and thus add to his own existing troubles the danger of being put in prison for destroying mortgaged property. Nor do I intend to analyze the processes by which the board has had on hand literally millions and millions of bushels of wheat while millions of people in the United States are suffering from hunger.

It might be said that for whatever cause the foreign commerce of the United States has been shrinking, shrinking, shrinking; and that the tariff act, which we were told would prove a panacea for all the ills with which we were afflicted, has been impotent to stop decline and depression. If the two acts to which I have referred have been successful, why is domestic business paralyzed in every section, why

are conditions pertaining to agriculture and unemployment constantly growing worse?

During the vacation of the Congress the President announced the threatened collapse of the German Government and appealed to so-called leaders, both Democrats and Republicans, in the two Houses of the Congress to indicate their consent to a moratorium respecting war debts which he proposed to suggest.

When the suggestion was made and the indications pointed to its acceptance, there was a slight quickening in business activity, which, however regrettably, continued for only a few days. Do Senators remember how prompt the President's propagandists, like the "Prophet Pat," were to claim credit for the Chief Executive as having saved the world from utter collapse, to glorify his name for an achievement which, while it had no lasting results in so far as our business or commerce was concerned, was given credit for having prevented a collapse in Germany?

Secretary Hurley is known as the Cabinet member closest to the President. In his address yesterday he bitterly assailed the Democrats in Congress, and sought to take advantage of their readiness to forego partisan opposition in so far as that can be done without sacrificing the public interests.

The moratorium was not the sole instance in which the President appealed to Democrats to show their patriotism by foregoing partisanship and to support his policies along with equally patriotic Republicans. When the naval arms limitation conference was about to assemble in London the President appointed a Democratic Senator as one of the delegates, and when the treaty was negotiated, and ratified with relatively more support from Democratic Senators than was accorded by Republican Senators, White House messengers raced to the news reporters and the press bureaus proclaiming the treaty as the outstanding triumph of Republican skill in the conduct of foreign relations.

The first delegate to be selected to the Geneva Disarmament Conference expected to convene next February is a Democratic Senator of international renown. The process of this administration is to ask the opposition to forego every partisan consideration, and, when that is done, to proclaim the results as distinct triumphs for President Hoover and his administration.

Realizing that the President will veto measures colored with Democratic partisanship should the same pass the Congress, it is our purpose and policy, just as far as I am capable of stating and defining it, to make every improvement possible in the measures brought forward during the present Congress, fully recognizing President Hoover's responsibility and duty to recommend and suggest and also his power to veto.

That does not mean that we shall become nonpartisan or that we shall fail to take fair advantage of the mistakes of our adversaries. It does mean that we recognize the perils which threaten our people in their affairs—perils which, if not brought about by Republican measures and policies, have certainly come into existence while the Republican Party has been in complete control of this Government.

When occasion arises we shall not hesitate to advocate reforms, but we do not expect to be able to reflect into legislation our views touching measures recognized as subjects concerning which the two parties emphatically disagree so long as the present occupant is in the White House or his party associates outnumber us in the Senate.

We intend to contribute our best efforts for the promotion of the welfare of the country, to pursue a sane and fair policy, and I do not believe that fair-minded citizens will give their support to a political organization whose head one day asks nonpartisan action and, when that is given, the next day holds aloft a flag of triumph in glorification of his own partisanship.

Mr. HARRISON. Mr. President, the timely remarks of the distinguished leader on this side prompt me to bring to the attention of the Senate another very striking figure, who played a very large part in the recent meeting of the Republican National Committee in Washington.

manifesto from the White House was telling the people that we were not going to have increased taxes in the country, and only when the leader on the Republican side went to the White House a few weeks ago and came back with changed views did the country get the idea that we were to have a bill before us to increase taxes. Yet the Secretary of War, in his fairness, representing the President, criticizes the Democrats for not yet having a tax plan. We will have a tax plan and it will be a tax plan that will not put the heavy burdens upon the great masses of the people, such as the administration is now recommending to Congress.

Mr. GORE. Mr. President—

Mr. HARRISON. I yield to the Senator from Oklahoma.

Mr. GORE. I apologize for interrupting the Senator, but I wish to say at this point that the Secretary of War is a distinguished citizen of my State. Personally he is an intimate friend of mine, and I might add that I love him as a brother. I would forgive a great deal at his hands. But I think it ought to be remembered that Secretary Hurley, while he is a Republican, he is also an Irishman. He has a keen sense of humor. He enjoys a joke. [Laughter.]

Mr. HARRISON. I too am very fond of Secretary of War Hurley. I have known him for 20 years. He is a fine man, but with such influences around him he could hardly be expected to escape becoming contaminated. He has become subservient and obedient to the wishes of the President. I know he comes from my distinguished friend's State. He comes from Tulsa. There is another distinguished Republican out in Tulsa, a friend of the Secretary of War. His name is Lorton. He is editor of the Tulsa World, one of the leading newspapers of the Southwest. I notice that his high estimate of Mr. Hoover is not the same as that of Mr. Hurley, because in an editorial published in the Tulsa World Mr. Lorton said:

Mr. Hoover is a most colossal mistake.

So they do not agree very much on that question.

We have not yet had time to present our plan of taxation. We would not be entitled to control the Government if we did not study carefully the details of any tax plan and evolve one that would incorporate the principles of the Democratic Party to lay the least burden upon the American people. But we are working upon a plan and we will have a plan. The one thing that we have agreed upon, so far as the policy committee representing the Democrats of the House and Senate is concerned, is that we have got to cut the expenditures of the Government and we are going to employ all necessary means to do it. We can talk about reducing taxes, we can talk about shifting taxes from this to that, but the finest road to travel, and I think the Democrats appreciate it, is to cut wherever possible the expenditures of the Government departments without impairing efficiency. So we have given out that kind of an expression as the sense of the Democratic policy committee.

If we look at the figures, we will find that the Department of Commerce, when Mr. Hoover presided over it as Secretary of Commerce, increased expenditures more rapidly and to a greater extent than any other department of the Government service. On the matter of employment, I find that in 1929, and this has no relation to the census, the employees in the Commerce Department numbered practically 17,000. That number was increased from 1922, when it was about 11,000. It shows the largest increase in the matter of employment of any department of the Government. If we take the executive department itself, where Mr. Hoover directs expenditures, we find that that department has increased perhaps more than any other particular branch of the Government. Its expenditures for employees now amount to something like \$400,000 a year. President Hoover talks about retrenchment. He talks about saving the taxpayers. Yet we have not seen where he has curtailed his army of secretaries and employees around the White House.

My friend the chairman of the Republican National Committee has just been unfortunate in his remarks. As my friend from Arkansas [Mr. ROBINSON] has well stated, the Democratic Party, where the welfare of the country has been

at stake, has never played politics, and it is not going to do so now. He cited the instance of the naval limitation of arms conference. He did a great work in that conference, and we supported the measures relating to that matter. I can remember the time, two years ago, and my friend the Senator from Utah [Mr. SMOOT] remembers it, when the collapse came upon the New York Stock Exchange and there was trouble in the air, the Secretary of the Treasury called some of us up there and said, "I think it will restore confidence and might save the situation if we could pass a tax bill giving some measure of relief." We came back here and almost unitedly worked to put that plan through. We did not play politics.

So not long ago, during the past summer, when conditions were going from bad to worse, and the President asked many of us about his moratorium, did we play politics? Did we take advantage of an acute crisis? No. We unhesitatingly told him that we would cooperate with him on the 1-year moratorium plan. I told him that, and I expect to vote that way. Many other Members of Congress were not consulted, and, of course, they are going to vote their own convictions on the subject; but we did not play politics; and yet, almost the very night that it was announced, the publicity king of the Republican National Committee, on the radio, over a nation-wide broadcast, was extolling the moratorium as one of the great achievements of President Hoover, notwithstanding the President himself in a statement announced that there was no politics in it, and that the Democrats were entitled, with him, to some credit for that action.

When following that, a few weeks ago, the President called into conference Republicans and Democrats and laid another plan before them, did we pick flaws in it and try to play politics in that case? No. The President wanted to create a national credit association in order that the banks might get a credit of \$500,000,000. It was proposed to relieve the banks of the country that were experiencing troublous times; it stated that it was going to help them to free some of their credits, that it was going to save some banks from ruin. I thought it was wonderful; that the psychology of the proposal was good. People were led to believe that they were going to get something which they have not gotten, because the other day I was informed that the National Credit Association had loaned only four and one-half million dollars. Many alleged achievements with trumpets and brass bands are heralded but when they are analyzed they really do not exist.

Mr. President, it is unfortunate that this partisan contest started at the other end of the Avenue; but it is not going to swerve us in the discharge of our duties. We appreciate that this country is sick; that we are in a terrible condition; that there are lines of unemployed; that industries are closed down; that our export trade is gone; that banks have failed; that there is sorrow in the hearts of tens of millions of the American people; but we are going to try to give our very best in a nonpartisan way to help lift the American people out of this bog and mire of economic depression.

Mr. GORE. Mr. President, I merely wish to say one word at this point. The Senator from Mississippi has referred to Mr. Gene Lorton as the Republican editor of a Republican newspaper in Oklahoma. Mr. Lorton is my personal and political friend. He is the editor of the World; and I desire to say to the Senator from Mississippi that the World has gone Democratic—and that I use that word in a double sense.

Mr. HARRISON. I was delighted when the influence of that great paper turned to the Democratic cause. It showed the fine sense of a great journalist.

"DEPLETION ALLOWANCES AND FEDERAL TAXES"

[Mr. THOMAS of Idaho asked and obtained leave to have printed in the RECORD an address by Donald A. Callahan, president of the Callahan Lead-Zinc Co., of Wallace, Idaho, in relation to "Depletion Allowances and Federal Taxes," which appears in the Appendix.]



From the newspaper reports I am led to sympathize with the President and these representatives of the Republican Party who assembled here. Just before the meeting we saw in the papers that the delegates came here very much depressed, that their hopes were at low ebb. They needed consolation and some tonic, which only the distinguished senior Senator from Ohio [Mr. Fess], now presiding in this body, could give to them. He is a smart, shrewd, experienced man in politics. He has spoken to national conventions on many occasions and has fooled many people in his own State in order to get elected to office.

Seeing this picture of dejection and depressed looks and forlorn hopes, he made a speech. He played the part of the pawnbroker. Of course, I take it that it was after conferring with the Secretary of War, Mr. Hurley, and, perhaps, the President and my astute friend there, the senior Senator from Utah [Mr. Smoot], and other leaders. He said that the idea is to sell Hoover to the country. That was the burden of his song, that was the strong point of his speech.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Mississippi yield to the Senator from Kentucky?

Mr. HARRISON. I yield.

Mr. BARKLEY. Does not the Senator really think that in their hearts they would like to give him away?

Mr. HARRISON. Does the Senator mean the President or the chairman of the Republican National Campaign Committee?

Mr. BARKLEY. Either one or both. [Laughter.]

Mr. HARRISON. So it is said.

Mr. SHORTRIDGE. Mr. President—

Mr. HARRISON. I yield to my distinguished friend.

Mr. SHORTRIDGE. Perhaps the party of which the Senator is such a distinguished member would like to get rid of the chairman of its national committee.

Mr. HARRISON. I do not think the distinguished Senator and his party colleagues would have anything to talk about if we got rid of Mr. Raskob.

Mr. SHORTRIDGE. I ask the Senator if he would not like to get rid of him.

Mr. HARRISON. If the Senator asks me, I say no. Chairman Raskob is a very sincere and conscientious gentleman, intensely interested in the principles of the Democratic Party and the welfare of the country. He has rendered very great service to the Democratic Party. Naturally he is a source of annoyance to my Republican friends.

Mr. GORE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Oklahoma?

Mr. HARRISON. I yield to the Senator from Oklahoma.

Mr. GORE. Does not the Senator from Mississippi think that the Republicans ought to wait until short selling has been abolished before taking any such step?

Mr. HARRISON. Short selling has become so prevalent under the Hoover administration that my friend the chairman of the Republican National Committee has adopted the plan of selling Hoover short, certainly not long.

Mr. GORE. "Its a bear!" [Laughter.]

Mr. HARRISON. Yes; it is a bear raid.

But this selling idea is only carrying out the plan that was employed two years ago by the Republican organization. Here is the character of advertising that was promoted by the Republican committee in 1928, big full-page advertisements in all the papers of the country. One of them said, in large type:

Ten candidates in one, the Republican Party presents in Herbert Hoover.

How he has shrunk since then! What an exaggeration! Another one read:

On the peaks of prosperity.

[Laughter.]

In this paid advertisement in behalf of the election of the President I notice another paragraph to which I wish to call attention. Of course, the signature of my friend who

now presides over this body is not there, but other good Samaritans who contributed liberally to the party signed the statement. It is in big type, and reads:

On the peaks of prosperity. Your directors, the Republican Party, wish to report reduced debts and taxes, factories in full capacity, export trade at full tide, basic agricultural improvements, and the highest dividends of record.

That is the way they sell their candidate to the country; and so my friend, the chairman of the Republican National Committee, has undertaken the very difficult job of selling again the President to the country.

I noticed an editorial in the New York Times on my friend's speech in which the editor of the Times said Chairman Fess was not very enthusiastic in his speech, that when he undertook the job of selling Hoover it looked like he appreciated the hard task he had on his hands. A part of the whole scheme was that, after the chairman began to sell Hoover short, the Secretary of War as spokesman of the administration should come forward and make this his keynote speech. It is unfortunate that the speech was made. Senators on the other side of the aisle deserve congratulations for the way they have conducted themselves under the circumstances. I do not know of anyone on the other side of the Chamber who approved, except that on one occasion I think my friend the Senator from Utah [Mr. Smoot] perhaps claimed credit on behalf of Mr. Hoover for the moratorium and said that deed in itself would reelect him. I notice that the Senator from Utah shakes his head, and I accept the Senator's apology. [Laughter.] He says he did not say that. So there are none of the Senators who tried to play politics in this great crisis of the country's history.

It is indeed unfortunate, just as the Congress convenes and we are to begin to legislate to help solve some of these delicate international and domestic questions, that the President should select the Secretary of War as his spokesman, and he should begin this tirade against the Democratic Party and its organized leaders. One can see running through the speech that he is trying to revive the old campaign issue of two or three years ago, which is unworthy of any political organization, of religion in politics. One can hardly find one of the ill-advised leaders of the Republican Party but what he wants to prate upon Raskob—the same character of campaign that put the Republicans into office two years ago.

The Secretary of War says we have no program, that the Democrats are without a plan, that we are waiting to catch Hoover ideas before we adopt our plan. The Democratic Party may make many mistakes, but it will never go so far as to make the mistake of accepting the Hoover ideas in its plan of action and program. His ideas generally are but bubbles—bubbles in the air. His housing scheme is such a bubble, and I dare say not a Senator on the other side of the aisle to-day understands it. I have seen nothing in the papers to indicate that any of them approved of it. It is such ideas in times like these that have weakened the President in public esteem, and destroyed the confidence of the people in the leadership of their Government.

Coming at this particular time when Congress is just meeting, is it a just criticism that as yet the Democrats have offered no plan or program? We did not know until about three or four days before the Congress convened that we were to elect the Speaker of the House of Representatives. It was in doubt up until a very short time before we convened. But I say, in that body, which is now controlled by the Democratic Party, they have been able to harmonize their differences and organize. But here—in this Chamber where you Republicans control—you have not been able to harmonize your differences and get together even upon the election of a president pro tempore.

So here we are traveling along and the spokesman of the administration says that not yet have we offered a plan to the country. Why, up until the President sent his message to the Congress and the Secretary of the Treasury reported his tax plan, we could not get a particle of information from the Treasury as to what its program would be and what it would do. Indeed, up until about two months ago every

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manifest from the White House was telling the people that we were not going to have increased taxes in the country and only when the leader in the Republican side went to the White House a few weeks ago and came back with messages from the country for the idea that we were to have a bill before us to increase taxes. The Secretary of War in his fairness representing the President, criticized the Democrats for not yet having a tax plan. We will have a tax plan and it will be a tax plan that will not put the heavy burden upon the great masses of the people, such as the administration is now recommending in Congress.

Mr. GORE. Mr. President—

Mr. HARRISON. I speak to the Senator from Oklahoma.

Mr. GORE. I apologize for interrupting the Senator but I wish to say at this point that the Secretary of War is a distinguished citizen of my State. Personally he is an intimate friend of mine, and I might add that I love him as a brother. I would forgive a great deal in his conduct. But I think it ought to be remembered that Secretary Hurley, while he is a Republican, he is also an Irishman. He has a keen sense of humor. He enjoys a joke. [Laughter.]

Mr. HARRISON. I am very fond of Secretary of War Hurley. I have known him for 10 years. He is a fine man, but with such influences around him he would hardly be expected to escape becoming contaminated. He has become unscrupulous and obedient to the wishes of the President. I know he comes from my distinguished friend's State. He comes from Tulsa. There is another distinguished Republican not in Tulsa, a friend of the Secretary of War. His name is Lorton. He is editor of the Tulsa World, one of the leading newspapers of the Southwest. I notice that his high estimate of Mr. Hoover is not the same as that of Mr. Hurley, because in an editorial published in the Tulsa World Mr. Lorton said:

Mr. Hoover is a most colossal mistake.

So they do not agree very much in that question.

We have not yet had time to present our plan of taxation. We would not be entitled to criticize the Government if we did not study carefully the details of any tax plan and advise me that would incorporate the principles of the Democratic Party to lay the least burden upon the American people. But we are working upon a plan and we will have a plan. The one thing that we have agreed upon so far is the policy committee representing the Democrats of the House and Senate is concerned is that we have got to cut the expenditures of the Government and we are going to employ all necessary means to do it. We can talk about reducing taxes, we can talk about shifting taxes from this to that, but the finest road to travel and I think the Democrats appreciate it is to cut wherever possible the expenditures of the Government departments without impairing efficiency. So we have given out that kind of an expression as the sense of the Democratic policy committee.

If we look at the figures, we will find that the Department of Commerce, when Mr. Hoover presided over it as Secretary of Commerce, increased expenditures more rapidly and to a greater extent than any other department of the Government service. On the matter of employment, I find that in 1929, and this has no relation to the census, the employees in the Commerce Department numbered practically 17,000. That number was increased from 1922, when it was about 11,000. It shows the largest increase in the matter of employment of any department of the Government. If we take the executive department itself, where Mr. Hoover directs expenditures, we find that that department has increased perhaps more than any other particular branch of the Government. Its expenditures for employees now amount to something like \$400,000 a year. President Hoover talks about retrenchment. He talks about saving the taxpayers. Yet we have not seen where he has curtailed his army of secretaries and employees around the White House.

My friend the chairman of the Republican National Committee has just been unfortunate in his remarks. As my friend from Arkansas, Mr. Robinson, has well stated, the Democratic Party, where the welfare of the country has been

in danger has never played politics and it is not going to do so now. He said the masses of the people, millions of them, understand. He said a great vote is cast tomorrow and we support the measures relating to that matter. I am remembering the time, not years ago, and my friend the Senator from Utah, Mr. Hiram Johnson, I think the measure came upon the New York Stock Exchange and there was trouble in the air. The Secretary of the Treasury said some of us in there and said, "I think I will require this license and might save the situation if we could pass a bill all going some measure of relief." We have seen how we had almost entirely voted to put that plan through. We did not pass it.

In 1908 and again during the past summer when conditions were going from bad to worse and the President asked what if we took an moratorium, did we pass that? But we had advantage of an extra word? No. We immediately said that we would cooperate with him in the 1-year moratorium plan. I told him that and I expect to vote that way. Many other Members of Congress were not unscrupulous and if you are going to vote that you will vote in the subject, you will not play politics and yet almost the very next day it was announced the probability that the Republican National Committee in the State that I represent-wide broadcast was attacking the moratorium as one of the great achievements of President Hoover notwithstanding the President himself in a statement announced that there was no politics in it and that the Democrats were entitled with him to some credit for that action.

When following that a few years ago the President called and conference Republicans and Democrats and had another plan before them and we pass that? In a kind of a play politics in that case? No. The President wanted to create a national credit association in order that the banks might get a credit of \$500,000,000. It was proposed to make the banks of the country that were experiencing troublous times. I stated that it was going to help them to free some of their credit, that it was going to have some credit from them. I thought it was wonderful, that the psychology of the proposal was good. People were led to believe that they were going to get something which they have not gotten, because the other day I was informed that the National Credit Association had loaned only four and one-half million dollars. Many alleged achievements with trumpets and brass bands are heralded but when they are analyzed they really do not exist.

Mr. President, it is unfortunate that this particular contest started at the other end of the Avenue, but it is not going to serve us in the discharge of our duties. We appreciate that this country is sick, that we are in a terrible condition, that there are lines of unemployed, that industries are closed down, that our export trade is gone, that banks have failed, that there is sorrow in the hearts of tens of millions of the American people; but we are going to try to give our very best in a nonpartisan way to help lift the American people out of this bog and mire of economic depression.

Mr. GORE. Mr. President, I merely wish to say one word at this point. The Senator from Mississippi has referred to Mr. Gene Lorton as the Republican editor of a Republican newspaper in Oklahoma. Mr. Lorton is my personal and political friend. He is the editor of the World, and I desire to say to the Senator from Mississippi that the World has gone Democratic—and that I use that word in a double sense.

Mr. HARRISON. I was delighted when the influence of that great paper turned to the Democratic cause. It showed the fine sense of a great journalist.

"DEPLETION ALLOWANCES AND FEDERAL TAXES"

Mr. THOMAS of Idaho asked and obtained leave to have printed in the Record an address by Donald A. Callahan, president of the Callahan Lead-Zinc Co., of Wallace, Idaho, in relation to "Depletion Allowances and Federal Taxes," which appears in the Appendix.

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THE WORLD COURT

[Mr. WALCOTT asked and obtained leave to have printed in the RECORD an address by Hon. John W. Davis on the entrance of the United States into the World Court, which appears in the Appendix.]

ECONOMIC CONDITIONS

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an editorial appearing in to-day's Philadelphia Record entitled "A Sick World Waits on the Congress of the United States," which appears in the Appendix.]

"RELIEF BY GUESS"

[Mr. COSTIGAN asked and obtained leave to have printed in the RECORD an article appearing in the New Republic of October 7, 1931, by R. L. Duffus, which appears in the Appendix.]

FEDERAL RELIEF APPROPRIATIONS

[Mr. COSTIGAN asked and obtained leave to have printed in the RECORD an open letter to the President on Federal relief appropriations by Mr. William Hodson, executive director of the Welfare Council of New York City, which appears in the Appendix.]

INTERGOVERNMENTAL INDEBTEDNESS ARTICLES BY SENATOR HOWELL

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD certain articles prepared by the junior Senator from Nebraska [Mr. HOWELL] dealing with the foreign debts and the present deficit, which appear in the Appendix.]

PHILIPPINE INDEPENDENCE STATEMENT BY SENATOR HAWES

[Mr. HAWES asked and obtained leave to have inserted in the Appendix of the RECORD a statement regarding the position of the Filipinos in regard to their independence, which appears in the Appendix.]

WATER-POWER DEVELOPMENT

[Mr. JONES asked and obtained leave to have printed in the RECORD an address by Hon. Ralph B. Williamson, vice chairman of the Federal Power Commission, delivered before the convention of the Associated Western States Engineers at Sacramento, Calif., October 28, 1931, which appears in the Appendix.]

PHILIPPINE INDEPENDENCE

[Mr. BINGHAM asked and obtained leave to have printed in the RECORD an article on Philippine independence by Mr. Vicente Villamin appearing in the Los Angeles Times of December 2, which appears in the Appendix.]

CONSERVATION OF WILD LIFE

The VICE PRESIDENT. The calendar, under Rule VIII, is in order. The Secretary will state the first bill on the calendar.

The LEGISLATIVE CLERK. A bill (S. 263) to insure adequate supplies of wild life, plant and animal, including forests, fish and game, for the people of the United States; to secure the correlation and most economical conduct of wild-life research and restocking and the elimination of duplication of effort and expense between the several departments of the Federal Government having to do with the same; to promote the development and extension of experimental stations for breeding; to promote studies of diseases and other factors limiting the natural supply; and for other purposes.

PROPOSED HOLIDAY RECESS

Mr. BORAH. Mr. President, I want to ask the Senate to consider briefly the question of the proposed Christmas holiday recess. The suggestion has been made that we recess from next Saturday until January 4. I want to suggest for the consideration of the Senate that on next Tuesday night we take a recess until the following Monday. That would give us a recess of five days.

We are proposing to take a recess, Mr. President, under circumstances and conditions which do not usually attend preparations for a holiday recess. If conditions were such as they usually are when we are contemplating a holiday recess, I should not offer a word of objection to any agreement which those who have charge of the matter might

make in regard to the duration of the recess. But the Congress has been absent from Washington now for nine months. During that time many questions of very great moment have arisen with which Congress alone can deal.

The President, for some reason satisfactory to himself, has refused during those nine months the cooperation of the legislative branch of the Government. The result is that measures have accumulated, problems are pressing for solution, and Congress is now in session facing the most tremendous task that, with possibly two exceptions, ever confronted a Congress in the history of the United States.

But while the President has refused to call us in session, fortunately the Constitution of the United States has called us together. I have had occasion many times since I have been in public life to be thankful for the wisdom and the foresight of the men who framed the Constitution of the United States, and I am again thankful, in view of the fact that they provided a day definite for the meeting of Congress, a day which the President or no one else can postpone, and also provided that the Congress of the United States can not be adjourned until Congress determines for itself the day of adjournment. We are here now, here under the command of the Constitution, and the responsibility which rests upon us, as I have said, is a very grave one.

Mr. President, in view of the situation which confronts us and of the work that is before us, which we can not possibly complete by the meeting time of the national conventions—and that will mean, in all probability, the adjourning time for Congress—I suggest in all seriousness to my colleagues that they consider the advisability of taking merely a 5-day recess. It seems to me that we will gain much by doing so.

Mr. President, I repeat that, in view of the situation, I do not think it is a proper thing for Congress to take a two weeks' recess, and I trust therefore that those who have the matter in charge will consider the suggestion I have made.

Mr. FLETCHER. Mr. President, I feel very much in sympathy with the views expressed by the Senator from Idaho [Mr. BORAH]. I do not know how others may feel about it—I have not conferred with Senators on the subject at all—but speaking for myself, I do feel that we owe it to the country to stay here and render what service we can in order to be helpful in this time of real distress.

We may not be able to accomplish a great deal. I know the committees are busy. They have referred bills to the various departments and are awaiting the reports of departments, but we will be able to make some progress should we remain here. In that event, we may take a recess for two days at a time, or what not, if the occasion justifies; but we ought not to quit our work for two weeks when it is possible that we will be needed here, and during that time could attend to the public business, which we were elected to transact.

I myself feel that the suggestion of a 5-day recess is wise, and that such a recess will afford ample time for the holiday. We are, in fact, not now in position to take any holiday. So far as I am concerned, I am willing to go right on without any recess at all; but five days will enable the committees to report on bills, and we will probably lose no time, so far as legislation is concerned, if we take that much recess. However, I do not feel, under the circumstances, that we would be doing our full duty to the public if we took a holiday recess of two weeks.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Utah?

Mr. FLETCHER. I yield.

Mr. KING. May I ask the Senator whether or not during the recess the committees will be in session? I know that a number of committees of which I am a member intend to have some meetings during the holidays. I had supposed that a good many of the committees would be holding meetings during the proposed recess and that many Senators at least would be examining the numerous bills which have been offered and would be obtaining information preparatory to engaging in intensive work when the recess shall be

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

over and the Senate shall again convene. I have no objection to the suggestion made by the Senator from Idaho [Mr. BORAH] but I am merely making the inquiry of the Senator from Florida [Mr. FLETCHER].

Mr. FLETCHER. I think some of the committees undoubtedly will be in session during the recess. There is, however, no way of compelling them to do so; it will be in the hands of each committee to determine about holding sessions and whether or not they can get a quorum. But let the responsibility fall on those who want to go home and not on the whole Senate. I think the committees ought to be in session and attend to their work during the recess.

Mr. KEAN. Mr. President, we have been here now since the 7th day of December and we have yet to pass a single bill. We have not done anything to relieve the terrible distress of the people all over the country. Financial institutions everywhere are waiting anxiously to know what the Senate and the Congress of the United States are going to do, and I would favor sitting here until we accomplish something for the people of the United States.

Mr. WALCOTT. Mr. President, may we consider now the amendment to Senate bill 263?

Mr. BROOKHART. Mr. President, before we leave the question of a holiday recess, I want to say a word or two on my own account. Before the last session adjourned the Congress was discredited in the public press by the administration and everybody else. They said that if they could get rid of Congress, prosperity was just around the corner. I demanded an extra session on the floor of the Senate before the adjournment of the last session, because the big questions now pressing were also in view then. However, it was said that if we could get rid of Congress then everything would be all right. They got rid of it, and then one plan after another was started to reach the prosperity. The first one that came along was the proposal for the consolidation of the big eastern railroads. That was to bring back prosperity by starting another gigantic stock boom. Well, the Senator from Michigan [Mr. COUZENS] had something to say about that, and that scheme blew up.

Then along came the 15 per cent rate advance for the railroads. That was to be another basis of starting a stock boom and bringing prosperity back in this country. Even Members of Congress demanded that this advance be allowed without a hearing, and, if the commission refused to grant it, that the commission itself be abolished. They even went as far as that. The commission did not do it, however, and that boom blew up.

Then along came the moratorium; and that did start a stock boom for a few days, but in a few days that blew up, and prosperity was not here yet.

Then the last gigantic effort was made to organize a great Wall Street corporation of some kind to finance the frozen assets of the banks of the country, and that went awry. Through all of this, instead of reaching prosperity by the absence of Congress we have gone deeper and deeper into this depression.

Mr. President, I have put a picture of that stock situation on the wall over here. It covers about 60 years of American history, beginning with 1872. If you follow that chart you will find that up to 1904 there was a gradual rise, and then from 1904 to 1914 there was a considerable advance in stock prices, creating a new level some 33 per cent higher than the previous level. Then after 1914 the wise men of Wall Street got control of the economic situation in this country, the credit and everything else; and just look on that chart and see what happened! There never was such an economic monstrosity in the history of the world as appears since the 1914 level.

Then in 1929 that bubble burst. All the credit of the United States, all the earnings of the people of the United States, were not able to sustain those gigantic stock waterings and frauds and deceptions and false pretenses that were put out to deceive the people of this country. Big banks of New York which were loaded up with the worthless

securities of foreign countries and with the still more worthless securities behind these watered stocks, had been working at their scheme of unloading those securities upon the little banks of the country. As a result, seven or eight thousand of the little banks of the country have gone down; and the big banks themselves, still loaded up with that sort of thing, still looking for a chance to save themselves, come in at this session with a two-billion-dollar proposition to take money out of the Treasury of the United States to save themselves from the wreck and ruin that they have put upon all the rest of the country.

Those stock prices have dropped back according to that chart, but they are still 50 per cent higher than the 1914 stock levels; and they are still enormously inflated, because the 1914 level itself was too high. So this stock inflation hangs there yet as a menace over this country.

The general level of commodity prices has dropped. In the index on yesterday it was slightly below the 1914 level; but these stock prices which they are attempting to maintain, and even to start another boom to boost them higher, are still 50 per cent up in the air above that high level.

Mr. President, the principal cause of this situation was the striking down of agriculture in 1920. Agriculture, representing one-third of the American people, was deflated by special action of the Federal Reserve Board and the Federal reserve banks, by special control of the credit of the United States, and was stricken down into depression deeply in the latter part of 1920 and the beginning of 1921. Agriculture has stayed down ever since. We had the revival of other business in 1922. Even the great inflation and speculation of 1929 followed, but agriculture stayed down through it all. The buying power of agriculture was enormously reduced, and at the present time its credit is entirely destroyed. That situation has affected every other legitimate business in the country, and legitimate business has now gone down, too—not yet so low as agriculture, but very much below these watered-stock values as they still continue to exist, as shown by this chart, and perhaps 7,000,000 men are unemployed.

Mr. President, I wanted Congress to stay in session last spring. I wanted an extra session in September. I wired the President, when he wired me about the moratorium, admitting that it was an important thing and demanding that he then call an extra session, so that we might have a legal vote of the Congress upon it instead of the straw vote which he was taking. All of this was unheeded.

Now, we come into this session. What is it that the Wall Street crowd want now? They seem to be entirely in control of the situation. What movement is being made by the leadership of either side to relieve agriculture of this condition or relieve unemployment that have caused the greatest depths of this depression? I do not hear a word about the relief of men. It is about the banks, and about the railroads, and the financial institutions, that we hear the words spoken on this floor and in the committees.

I should like well enough to continue in session Christmas Day and every other day if we could do anything about this depression. I have just listened to a part of the brilliant speech of the Senator from Mississippi [Mr. HARRISON]. I agree that the facts he stated are substantially true; but I listened in vain for any plan coming from him or from the Democratic side or anywhere else for the relief of this situation.

What are we going to do if we stay here? About the same thing that we will do if we go away. Already the Republican National Committee has met and held its mournful session. By the middle of January the Democratic committee will meet and attempt to hold a session to avoid blunders enough to stave off defeat. The whole situation is political. No questions are being considered here upon their merits. The whole thing is, "What can we do to avoid defeat in the one case or to win a victory in the other case in the political contest that is in view?"

Mr. President, so far as I am concerned, if I could see a plan coming from either side of this Chamber for the defi-



nite relief of this situation, I would be for it, and I would be willing to stay in session all the time; but, as I size it up, it seems to me it is going to make little difference. The same forces that refused to call an extra session of Congress to give us ample time to consider these questions upon their merits, as the Congress of the United States ought to consider them, are now without a plan to do anything in this Congress, and they are on both sides of the aisle and in control.

Mr. BORAH. Mr. President, if the Senator is correct in his conclusion, the thing for Congress to do is not to take a recess, but to take a final adjournment.

Mr. BROOKHART. I think that is correct, so far as accomplishing anything in this session is concerned.

LOSSES IN PRICE OF STOCKS

Mr. DILL. Mr. President, in connection with what the Senator from Iowa is saying about the fear that is expressed by so many newspapers and economists of having Congress in session on the ground that it would hurt business, let me say that I received in the mail a few days ago a compilation of the prices of the stocks of the leading corporations of the United States, listing the prices under date of March 4, when Congress adjourned, and listing them again on November 28, a week before Congress met. During that period the administration had full opportunity to bring business back on its feet without any interference by Congress.

I shall not take the time to read the striking declines of prices, although I do want to call attention to the stocks of just a few of the most outstanding organizations of the country.

For instance, the stock of the Illinois Central Railroad on March 4 was 78. On November 28 it was 13.

The stock of the New York Central Railroad was 116 $\frac{1}{4}$  on March 4, and it was 28 $\frac{1}{8}$  on November 28.

The stock of the Baltimore & Ohio Railroad was 76 $\frac{1}{8}$  when Congress adjourned. It was 23 $\frac{1}{8}$  on November 28.

The stock of the Electric Bond & Share Co.—the greatest electrical company in the world—was 53 $\frac{1}{2}$  when Congress adjourned. It was 15 $\frac{3}{8}$  on November 28.

The stock of the Chase National Bank was 102 when Congress adjourned. It was 39 $\frac{3}{4}$  on November 28.

The stock of the Guaranty Trust Co. of New York was 539 when Congress adjourned. It was 296 on the 28th of November.

There are other stocks listed here, together with the percentages of loss; and I ask to have them inserted in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

1931

Name of stock	Mar. 4 low	Nov. 28 close	Points lost	Approximate percentage of loss
Illinois Central.....	78	13	65	83
New York Central.....	116 $\frac{1}{4}$	28 $\frac{1}{8}$	88 $\frac{1}{8}$	75
Baltimore & Ohio.....	76 $\frac{1}{8}$	23 $\frac{1}{8}$	53	68
American Telephone & Telegraph.....	193 $\frac{3}{8}$	125 $\frac{1}{2}$	68 $\frac{1}{2}$	36
International Telephone & Telegraph.....	31 $\frac{1}{2}$	10 $\frac{3}{4}$	20 $\frac{3}{4}$	66
United Corporation.....	25	11 $\frac{1}{8}$	13 $\frac{7}{8}$	55
Electric Bond & Share.....	53 $\frac{1}{2}$	15 $\frac{3}{8}$	38 $\frac{1}{8}$	71
Niagara-Hudson.....	13 $\frac{1}{4}$	7 $\frac{1}{2}$	5 $\frac{3}{4}$	43
Tristate Utilities.....	20 $\frac{1}{8}$	9 $\frac{1}{4}$	28 $\frac{3}{4}$	99
United States Steel.....	143 $\frac{1}{2}$	53 $\frac{1}{8}$	89 $\frac{3}{8}$	62
Bethlehem Steel.....	62 $\frac{1}{4}$	24 $\frac{1}{4}$	38	61
Anaconda Copper.....	39 $\frac{5}{8}$	13 $\frac{3}{8}$	26	65
Standard Oil of New Jersey.....	47 $\frac{1}{2}$	31 $\frac{3}{4}$	15 $\frac{3}{4}$	33
Gulf Oil Co.....	60 $\frac{1}{2}$	45	21 $\frac{1}{2}$	32
Texas Corporation.....	32 $\frac{3}{4}$	16 $\frac{3}{4}$	16	49
General Motors.....	42 $\frac{7}{8}$	24 $\frac{1}{2}$	18 $\frac{1}{2}$	42
Chrysler Motor.....	21 $\frac{1}{4}$	14	7 $\frac{1}{4}$	34
Studebaker Co.....	23	12	11	47
General Foods.....	52 $\frac{1}{8}$	34 $\frac{3}{4}$	17 $\frac{1}{8}$	33
Standard Brands.....	18 $\frac{1}{2}$	14	4 $\frac{1}{2}$	25
Commercial Solvents.....	18 $\frac{1}{2}$	9 $\frac{1}{4}$	8 $\frac{3}{4}$	47
United States Industrial Alcohol.....	68 $\frac{1}{8}$	27 $\frac{1}{4}$	40 $\frac{3}{4}$	60
Paramount Publix.....	44 $\frac{3}{8}$	11 $\frac{1}{8}$	32 $\frac{1}{2}$	73
Radio-Keith-Orpheum.....	19 $\frac{5}{8}$	2	17 $\frac{3}{8}$	89
Warner Brothers Pictures.....	13 $\frac{3}{8}$	3 $\frac{7}{8}$	9 $\frac{1}{2}$	71

1931—Continued

Name of stock	Mar. 4 low	Nov. 28 close	Points lost	Approximate percentage of loss
Chase National Bank.....	102	39 $\frac{3}{4}$	62 $\frac{1}{4}$	61
Guaranty Trust Co.....	539	296	243	45
Irving Trust Co.....	39	20	19	48
Niagara Shares.....	8 $\frac{7}{8}$	3 $\frac{3}{4}$	5 $\frac{1}{8}$	57
United Founders.....	9	2 $\frac{1}{2}$	6 $\frac{1}{2}$	73
Goldman-Sachs.....	8 $\frac{1}{8}$	2 $\frac{1}{2}$	5 $\frac{3}{8}$	69

MANTON M. WYVILL,  
Union Trust Co., Washington, D. C.

CONSERVATION OF WILD LIFE

The Senate resumed the consideration of the bill (S. 263) to insure adequate supplies of wild life, plant and animal, including forests, fish, and game for the people of the United States; to secure the correlation and most economical conduct of wild-life research and restocking and the elimination of duplication of effort and expense between the several departments of the Federal Government having to do with the same; to promote the development and extension of experimental stations for breeding; to promote studies of diseases and other factors limiting the natural supply; and for other purposes.

Mr. WALCOTT. Mr. President will the Senator from Wisconsin [Mr. BLAINE] speak as to his amendment at this time?

I desire to say Mr. President that the suggestion of the amendment has been adopted and the committee has reprinted the bill (S. 263) as the result of a meeting held yesterday afternoon at which all of the objectors to certain portions of this bill were present. They made certain suggestions which improved the bill materially; and I believe there is only one amendment that has been reported that interferes with the consideration of the amended bill as reprinted, a copy of which is on every Senator's desk this morning.

Therefore may I ask the Senator from Wisconsin to make a statement with reference to his amendment as the amendment has been entirely dealt with in the new print of the bill?

The VICE PRESIDENT. The Chair would like to state first that under the rules if a substitute measure is offered the pending bill must be amended before action is taken upon the substitute bill. The Senator of course may withdraw his amendment if he desires.

Mr. McNARY. Mr. President I think the ruling is accurate. The Senator from Wisconsin [Mr. BLAINE] has an amendment which has been met in the amendment in the nature of a substitute offered by the Senator from Connecticut.

The VICE PRESIDENT. The original amendment can be withdrawn then.

Mr. McNARY. By unanimous consent, of course, we could operate and have the substitution made at this time; and, in my opinion, if that were done it would hasten the consideration of the bill.

Mr. BLAINE. Mr. President, I was about to state that the amendment which has been proposed by the Senator from Connecticut is in the nature of a substitute amendment. I understand that it is the result of the action of the committee, and that the amendment about to be proposed by the Senator in effect strikes out section 8 and accomplishes identically the same object that my amendment to the original bill would accomplish if it were adopted. I therefore ask unanimous consent to withdraw the amendment I offered.

The VICE PRESIDENT. Without objection, that may be done.

Mr. WALCOTT. Mr. President, I ask now that the Senate proceed to the consideration of the committee amendment to Senate bill 263.

The VICE PRESIDENT. The Senator from Connecticut offers a substitute bill, which will be reported to the Senate.

The LEGISLATIVE CLERK. The Senator from Connecticut proposes to strike out all after the enacting clause and to insert in lieu thereof the following:

That the Secretary of Agriculture and the Secretary of Commerce are authorized to provide expert assistance to and to cooperate with Federal, State, and other agencies in the rearing, stocking, and increasing the supply of game and fur-bearing animals and fish, in combating diseases, and in developing a nation-wide program of wild-life conservation and rehabilitation.

SEC. 2. The Secretary of Agriculture and the Secretary of Commerce are authorized to make such investigations as they may deem necessary to determine the effects of domestic sewage, trade wastes, and other polluting substances on wild life, with special reference to birds, mammals, fish, and shellfish, and to make reports to the Congress of their investigations with recommendations for remedial measures. Such investigations shall include studies of methods for the recovery of wastes and the collation of data on the progress being made in these fields for the use of Federal, State, municipal, and private agencies.

SEC. 3. (a) Whenever the Federal Government, through the Bureau of Reclamation or otherwise, impounds water for any use, opportunity shall be given to the Bureau of Fisheries and or the Bureau of Biological Survey to make such uses of the impounded waters for fish-culture stations and migratory-bird resting and nesting areas as are not inconsistent with the primary use of the waters and or the constitutional rights of the States. In the case of any waters heretofore impounded by the United States through the Bureau of Reclamation or otherwise, the Bureau of Fisheries and or the Bureau of Biological Survey may consult with the Bureau of Reclamation or other governmental agency controlling the impounded waters, with a view to securing a greater biological use of the waters not inconsistent with their primary use and or the constitutional rights of the States and make such proper uses thereof as are not inconsistent with the primary use of the waters and or the constitutional rights of the States.

(b) Hereafter whenever any dam is authorized to be constructed, either by the Federal Government itself or by any private agency under Government permit, the Bureau of Fisheries shall be consulted, and before such construction is begun or permit granted, when deemed necessary, due and adequate provision, if economically practicable, shall be made for the migration of fish life from the upper to the lower and from the lower to the upper waters of said dam by means of fish lifts, ladders, or other devices.

SEC. 4. The Office of Indian Affairs, the Bureau of Fisheries, and the Bureau of Biological Survey are authorized, jointly, to prepare plans for the better protection of the wild-life resources, including fish, migratory waterfowl and upland game birds, game animals and fur-bearing animals, upon all the Indian reservations and unallotted Indian lands coming under the supervision of the Federal Government. When such plans have been prepared they shall be promulgated by the Secretary of the Interior, the Secretary of Commerce, and the Secretary of Agriculture, who are authorized to make the necessary regulations for enforcement thereof and from time to time to change, alter, or amend such regulations.

SEC. 5. The Bureau of Biological Survey and the Bureau of Fisheries are hereby authorized to make surveys of the wild-life resources of the public domain, or of any lands owned or leased by the Government, to conduct such investigations as may be necessary for the development of a program for the maintenance of an adequate supply of wild life in these areas, to establish thereon game farms and fish-cultural stations commensurate with the need for replenishing the supply of game and fur-bearing animals and fish, and, in cooperation with the National Park Service, the Forest Service, or other Federal agencies, the State agencies, to coordinate and establish adequate measures for wild-life control on such game farms and fish-cultural stations: *Provided, however*, That no such game farm hereafter established shall exceed 2,000 acres in size: *And provided further*, That not more than one such game farm shall hereafter be established in any State without the consent of the legislature of that State.

SEC. 6. In carrying out the provisions of this act the Federal agencies charged with its enforcement may cooperate with other Federal agencies and with States, counties, municipalities, individuals, and public and private agencies, organizations, and institutions, and may accept donations of lands, funds, and other aids to the development of the program authorized in this act: *Provided, however*, That no such donations of land shall be accepted without consent of the legislature of the State in which such land may be situated.

Mr. KING. Mr. President, I desire to offer an amendment.

The VICE PRESIDENT. The Chair will state that the first amendment should be proposed to the original bill. If there are no amendments to that, then the question is on amending the proposed substitute.

Mr. KING. I am addressing myself to the substitute.

The VICE PRESIDENT. That is now open to amendment.

Mr. KING. I offer an amendment, on line 22, page 4, after the word "farm," to insert the words "except one in the State of Wyoming"; and also, on line 21, to strike out the words "not more than one" and to insert in lieu thereof the word "no," so that it will read as amended, "That no such game farm, except one in the State of Wyoming, shall here-

after be established in any State without the consent of the legislature of the State."

May I say to the Senator from Connecticut that under the proposed substitute one farm could be established in a State without the consent of the legislature of the State. My amendment would inhibit the establishment of any of these preserves, except one in the State of Wyoming, without the consent of the legislature. If it is appropriate to prohibit the establishment of two of these preserves without the consent of the legislature, then it seems to me it is proper to prohibit the establishment of one preserve without the consent of the legislature.

I may say that while there is an apparent discrimination in the amendment because it excepts one in the State of Wyoming, I understand that there has been a large preserve of importance and benefit already established but not recognized by the Federal Government, and which it is agreed should come in under the operation of this bill. There is no necessity for the legislature to agree to that, because it is almost a fait accompli. So I have excepted that from the amendment.

Mr. ASHURST. Mr. President, will the Senator from Utah yield to me a moment?

Mr. KING. I yield.

Mr. ASHURST. If I heard the Senator aright, he is proposing an amendment to this substitute which will provide that no preserve, sanctuary, or reservation shall be created without the consent of the particular State in which it is proposed to create it.

Mr. KING. Yes. The bill itself provides that not more than one shall be established without the consent of the legislature of the State.

Mr. ASHURST. If the Senator will yield to me, I wish to occupy the time of the Senate a moment.

Mr. KING. Certainly.

The VICE PRESIDENT. The Senator from Arizona is recognized.

Mr. ASHURST. Mr. President, the general purposes and the scope of this bill are so noble that they almost intuitively, instinctively, commend themselves to the citizen, and I congratulate the Senator from Connecticut [Mr. WALCOTT] and the Senator from Missouri [Mr. HAWES] for the able and painstaking work they have performed in this behalf. There is, however, another important question raised by the Senator from Utah [Mr. KING]; that is to say, the time has arrived when the executive branch of the Government must not create any more reservations of any sort without the consent of the State in which it is proposed any such reservation should lie. To illustrate: Arizona contains 113,956 square miles, or 73,931,840 acres. Yet that vast area for all practical purposes is withheld from the people.

Mr. President, enormous tracts of land have been taken for Indian reservations, and of that we did not complain. Still larger areas of the State have been taken for national forests, and in many instances the forest reservations were created, not wholly for forestry purposes but to permit certain persons and corporations holding lands within the forests, to exchange the same and receive in lieu thereof timberlands elsewhere. That was done respecting the creation of some national forests in Arizona.

We must subsist and must maintain a State by land and people on the land. Square mile by square mile, and township by township, sedulously and constantly the Federal Government has reached out until almost all of the land in Arizona upon which we expect to subsist in the future and maintain a State, has been withdrawn from settlement and therefore is not taxable by the State or the counties.

I now enlist the friends of this measure to our support on this vital question. I appeal to all Senators to refuse any further to permit any department to make further withdrawals of lands except upon consent of the State involved. The time has arrived when this principle must be vigorously applied.

The VICE PRESIDENT rose.

Mr. ASHURST. I presume I have occupied all the time to which I am entitled.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is the election of a President pro tempore.

Mr. McNARY. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside.

Mr. NORRIS. Mr. President, if the Senator will limit that to a certain time, I shall have no objection. If it is temporarily laid aside, can it be called up at any time?

Mr. McNARY. Yes. I have in mind only a desire for the final termination of the consideration of the bill which has been before us.

Mr. NORRIS. Very well.

Mr. ASHURST. Mr. President, some Senators have suggested that but one preserve or sanctuary in a State should be created without the consent of the legislature of the State.

Mr. TRAMMELL. Not more than one preserve.

Mr. KING. My amendment proposes to strike that out.

Mr. WALSH of Montana. It is provided that one may be created under the terms of the bill not to exceed 2,000 acres.

Mr. WALCOTT. Mr. President—

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Connecticut?

Mr. ASHURST. With pleasure.

Mr. WALCOTT. May I explain that in line 19 it is provided that no such game farm hereafter established shall exceed 2,000 acres. With that limitation it is further provided that not more than one such game farm shall hereafter be established. Does that meet the Senator's suggestion, or does he object, although it be not more than one and not more than 2,000 acres in extent?

Mr. ASHURST. The very language providing that we must not do it more than once is a conclusive presumption that to go beyond that would be wrong. If a game sanctuary or a reservation is necessary, the legislatures of the various States will respond with avidity and with eagerness if it be necessary.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. ASHURST. I yield the floor.

Mr. HAWES. Mr. President, for the last two days this subject has been before the Senate. There were numerous amendments suggested and presented. The committee withdrew the bill and on yesterday afternoon a conference was held which was attended by the Senator from Pennsylvania [Mr. REED], the Senator from Maine [Mr. WHITE], the Senator from Montana [Mr. WALSH], and the Senators from Wyoming [Mr. KENDRICK and Mr. CAREY]. So far as the committee was able to ascertain, all of the Senators who had proposed amendments to the bill, with the exception of the Senator from Tennessee [Mr. McKELLAR], were present at that conference. All of section 4 was stricken out and the entire section 8 was stricken out. Four or five subsections were stricken out and the representatives of the Mountain States were entirely satisfied. We have found no one who objects to the objects of the bill, and we thought that with all those Senators who had objected before having appeared at this conference our substitute would satisfy the Senate. Each of the Senators was there with the exception of the Senator from Tennessee [Mr. McKELLAR], whose amendment did not go to the heart of the bill but only to a qualification upon appropriations.

Mr. McKELLAR. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Tennessee?

Mr. HAWES. I yield.

Mr. McKELLAR. As I understood the Senator from Missouri yesterday, or the day before, when I offered my amendment, he agreed that no appropriations were to be made under the bill, and the Senator from Connecticut [Mr. WALCOTT], in charge of the bill, made the same statement. I happen to know from long experience that appropriations may be called for. That experience is shown to be correct by the fact that there have been 13 such bills and that

whenever there is a bill of this kind immediately a recommendation comes later to the Appropriations Committee for money to establish another division in a bureau. Thirteen of them have already been established.

The Senators in charge of the bill, the Senator from Missouri [Mr. Hawes] and the Senator from Connecticut [Mr. Walcott], have both assured the Senate that it is not the purpose to establish an additional bureau nor to ask for any appropriation. The amendment I have offered is perfectly simple. It carries out the statement those two Senators have made. It will save the Treasury a very large sum of money. I ask the Senator from Missouri and the Senator from Connecticut if they will not accept the amendment, which reads as follows, and is to be inserted at the end of section 6:

*Provided further,* That no authority is given in this bill for setting up any additional bureau or division in any department or commission, and shall not authorize any additional appropriations for carrying out its purposes.

It seems to me that ought to be done in view of the statements the two Senators have made to the Senate.

The VICE PRESIDENT. The Chair might suggest that there is an amendment pending.

Mr. McKELLAR. I know there is, but if the Senator is willing for that amendment to be accepted, I shall ask unanimous consent that it may be inserted in the bill now.

Mr. HAWES. I can not agree to that.

Mr. McKELLAR. Very well; we shall have to vote on it.

Mr. HAWES. Mr. President, while I have the floor, in referring just for a moment to the amendment which the Senator from Tennessee has introduced, I would like with the permission of the Senate to insert in the RECORD as a part of my remarks a statement of the economic phase of the problem, the amount of money invested, the amount of land involved, and so forth.

The VICE PRESIDENT. Without objection, that order will be made.

The statement is as follows:

The committee has been impressed with the fact that the wild-life problem of America has its economic value; we have a national resource in many respects answerable to the ordinary rules of investment. Disregarding, for the time, the vital but incalculable benefits to health, of wholesome amusement and recreation to Americans the committee desires at this point to present evidences dealing with cash values and the great financial importance of the investment under consideration.

The recent census figures show that the value of sporting firearms sold to the public during the year 1929 amounted to \$21,970,367; the value of ammunition was \$43,779,020; the value of fishing tackle, as estimated by the Institute of Fishing Tackle Manufacturers, was \$25,000,000.

It has been estimated that sportsmen spent in 1929 an average of \$50 apiece in equipment for shooting and fishing including their purchases of ammunition, firearms, and fishing tackle, as well as clothing, tents, canoes, and motor boats. When we take into consideration the large number of articles which enter into a day's sport, the estimate of \$50 per annum seems reasonable as an average annual figure. Even at this low figure the amount sportsmen invest each year in this way at \$50 apiece for 13,000,000 people equals \$650,000,000. If we include the cost of transportation, wear and tear on automobiles going to and from shooting grounds, the total expenditure of the citizens of the United States in their quest for outdoor recreation in shooting and fishing alone during 1929 would doubtless amount to fully three-quarters of a billion dollars.

These estimates concern only those values realized in the pursuit of wild birds, animals, and fishes for food and sport. By far the greater proportion of Americans who annually go afield to enjoy our wild-life resources and the associations of out-of-doors, do not either shoot game or catch fish for sport. But all of them, nevertheless, are interested in wild life. Their numbers are annually increasing. For example, in 1929, 2,680,597 persons visited the national park areas alone and in 1930, 2,774,561 visited these same areas. The National Association of State Parks indicates that one park area in the State of New York was visited by 13,000,000 people in 1930. Park areas in Michigan were visited during the same period by 8,900,000; in Connecticut by 1,428,514; and in Indiana by 950,000. The same authority estimates that State park areas exclusively throughout the country were visited in 1930 by between forty and forty-five million people seeking outdoor recreation in forest, field, and stream. There are, of course, additional millions of Americans who go afield each year who do not visit established parks, therefore are not registered, and their numbers can not be accurately computed. It is impossible to estimate, even approximately, the tremendous sums annually invested and spent by this vast group of recreationists who are attracted by the en-





nobling and inspirational qualities associated with all varieties of wild creatures and their environment, but when figures are compiled they will dwarf any totals so far presented in connection with the activities of fishermen and hunters.

It is estimated that the Federal Government has in national parks an investment of \$54,634,935; in fish hatcheries \$3,500,000; in game sanctuaries between \$2,000,000 and \$4,000,000. The States own approximately forty-four and a half million acres of various types of land and water which have been set aside as bird and game sanctuaries or reserves. It is believed that the value of these lands would average about \$7 per acre. An estimated value of at least \$300,000,000 in the aggregate for all State reservations and sanctuaries would not be excessive.

The value, therefore, of investments which the Federal and various State Governments have made for the purpose of preserving or increasing wild life comes to a total of \$507,134,935. If to this figure we add the value of private sanctuaries and shooting preserves, the grand total would undoubtedly be at least a billion dollars.

In the direct production of food and clothing items consumed or used by Americans, estimates of the Biological Survey credit the country's wild life with supplying meat and fur each year to the value of \$150,000,000. The extent of protection by insect-destroying birds to food and other farm crops is estimated by the Department of Agriculture to be annually \$350,000,000.

In considering the place of fish in the national food supply, it is surprising to discover that it ranks third in total quantity amongst meat products in the United States, as shown by the following table of the Bureau of Fisheries:

	Pounds
Pork.....	8,181,000,000
Beef.....	7,458,000,000
Fish.....	2,500,000,000
Veal.....	960,000,000
Mutton and lamb.....	643,000,000

This table does not include what might be termed "game fishes."

The annual yield of our commercial fisheries exceeds 3,000,000,000 pounds, valued at \$116,000,000 to the fishermen.

There are many other products of the fisheries put to varied uses in the arts and industries. The total value of these by-products of the fisheries is not less than \$25,000,000.

The investigation of the wild-life resources of America, therefore, becomes not only a problem of health and recreation, but a problem of large and growing economic importance.

Your committee finds that the total annual subscription in cash by Federal and State Governments specifically to administer this resource, to insure its maintenance, and to secure a continuation of profits from their resources probably does not exceed \$12,000,000. The value of the annual dividend to Americans, considering only the tangible assets, is many times this amount. Your committee therefore is compelled to report that it believes the primary cause for the gradual and serious decrease in our supply of wild life to be due to the failure of Federal and State legislative bodies to be guided by the ordinary rules of sound business practice which require that the sums used for research, protection, administration, development, and upkeep must be in due proportion to the income derived from its resources.

The enterprise of wild-life conservation and increase viewed solely as a business matter has been grievously underfinanced and small acknowledgment or recognition has been had of its value in dollars to the people of our Commonwealths.

If there is no game for the hunter, no fish for the fisherman, no wild life in the recreational playgrounds for tourists, these occupations and recreations will perish.

While the private individual may assist in (and, when organized into clubs and associations, very largely supplement) the work of the State and Nation, the very character of game and fish preservation depends upon State and National legislation and administration.

The matter of hunting and fishing and outdoor recreation is naturally related to that of the preservation of insectivorous birds and birds of song and plumage, and for reforestation and all other natural resources similar in character.

Mr. HAWES. Mr. President, I am very fond of the Senator from Tennessee [Mr. McKellar]. I see the point he is trying to make, but it is not necessary. The Senator from Connecticut [Mr. Walcott] and I have both stated to the Senate that the bill does not carry an appropriation; that it does not increase the personnel of the Government. The point was made the other day by the Senator from Montana [Mr. Walsh] that the machinery which is set up in section 4 might require additional personnel and might require an expenditure of money. It is the only section of the bill as to which any suggestion has been made that there would be any additional expense. Section 4 has been stricken from the bill, so I would object to the amendment of the Senator from Tennessee.

Mr. SMITH. Mr. President, I am rather inclined to think the amendment offered by the Senator from Utah [Mr. King] would be perhaps of more benefit for the purposes

which the proponents of the bill have in view than in the form in which the bill now presents it. The substitute reads:

*Provided, however,* That no such game farm hereafter established shall exceed 2,000 acres in size.

That puts a limitation on the one game farm that is proposed to be arbitrarily provided for and upon all subsequent ones. Anyone familiar with conditions of wild life throughout the country and especially in our section knows that there may arise and will arise conditions under which 2,000 acres will be totally inadequate for the preservation and propagation of particular forms of wild life, the more essential forms of wild life. I think the States are all sufficiently aware of the necessity for taking action for the preservation of our Nation's game to readily and willingly cooperate in any form of action the Federal Government may take.

Mr. HAWES. Mr. President, will the Senator permit me to explain that section?

Mr. SMITH. Yes; I shall be very glad to have an explanation.

Mr. HAWES. The Mountain States, with vast areas like Arizona, have problems that are different entirely from the South and the West and the Mississippi Valley. They are afraid that some department of the Government in administering the game farms may use that as an excuse to extend the Federal jurisdiction over this acreage. A game farm requires approximately only 1,000 acres, so that in order to satisfy the Mountain States, which was not done in the original bill, and for their protection we put the limitation of 2,000 acres; that is to say, it might be in a tract of 100,000 acres, but for the purpose of a fish hatchery or a game farm only 1,000 acres would be required, so we put in that language for the protection of the Mountain States.

Mr. SMITH. Does the Senator mean that the game preserve might be in the public domain or located on private property?

Mr. HAWES. Oh, just on public property.

Mr. SMITH. Then the danger that the Mountain States people foresaw was that they might extend it indefinitely, as it was public land.

Mr. HAWES. That is true.

Mr. SMITH. Down in our section of the country we have a peculiar situation. All the lands in the old original States are owned by the States, but down on our coastal plain, among the coastal lands, there are indications that for the breeding and propagation of certain forms of wild life, like wild turkeys, deer, and some of the fur-bearing animals, 2,000 acres would be totally inadequate to preserve and propagate the wild life in those sections. I am not familiar with the conditions existing in the State of my friend from Arizona and similar States where the game is preserved and propagated in vast areas over which it could roam and feed. With us it is not so. The land is more or less all taken up, except some of our swamp lands and some of our very arid sand-hill lands.

In order to preserve wild life adequate areas would have to be provided because good roads, the automobile, and the modern sporting gun are resulting in the rapid extermination of game throughout the old States. The Senator from Connecticut has visited my State, and he knows the hazard to which game life is subjected. In our rivers it is almost impossible to keep a supply of native fish, though the Government has added greatly to the fish wealth of our section by the propagation of fish.

It seems to me that if we are going to legislate for the preservation of game or fish we should do it in a manner that would be adequate. I do not think—and I believe the Senator from Connecticut, with his knowledge of conditions found in our section, will agree with me—that 2,000 acres would be sufficient for roaming animals and birds. There would not be obtainable in such a restricted territory as that a sufficient food supply to support animal life.

Mr. HAWES. Mr. President, will the Senator from South Carolina yield to me for just a moment?

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The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Missouri?

Mr. SMITH. Yes.

Mr. HAWES. I am entirely in sympathy with the Senator's thought; the more acreage we can get into a conservation area the better I should like it; but the language in the bill to which the Senator refers does not apply to game sanctuaries or game preserves; it applies to what are called "game farms," and fish cultural stations, which require only a small acreage.

Mr. SMITH. I was not advised as to that distinction and the differentiation between the terms "game sanctuaries" and "game farms."

Mr. HAWES. It was that distinction which I desired to point out.

Mr. SMITH. If this language applies entirely to farms for the propagation of game it presents a different aspect.

Mr. HAWES. That is my understanding.

Mr. SMITH. If I had been advised of that distinction, I should have been satisfied, but I wish to make a further observation.

Much has been said here about an appropriation being involved in this proposed legislation. I for one would not balk at any appropriation for this purpose which judiciously spent could preserve and take care of the game and fish life of our country, and which throughout our entire section is rapidly vanishing. In my State during the present year an unprecedented drought for three months dried up our swamps and hill lands; forest fires started, and practically two-thirds of all the wood and swamp land in my State was burned bare.

We have no organized fire protection, because such conditions rarely occur, and certainly we have no town in that region of sufficient size and importance to have an organized force to protect game preserves. The consequence is that the wild life, the quail—partridges, as we call them—and the ordinary fur-bearing animals, the deer, and also the wild turkey have been almost decimated. As a consequence of the forest fires there was no food; there was nothing left on which wild life could subsist.

I think it is a matter of both State and National importance to provide that the game life and fish life of the country shall be adequately preserved and protected. For one, I should rather see some of the expenditures which are proposed for other departments eliminated and the food supply for the game life of the country increased. No matter how poor a man may be, there is for him no recreation under the sun comparable to that in the open with rod or gun where he can find an adequate area over which he may roam and find outlet for a natural instinct, which I think is common to rightly constructed man. I have my doubts about any man who does not love to fish and hunt; there is something radically wrong with him somewhere, either mentally, morally, or physically, or all three. I have never in my life seen a man but there was some kind of a repulsive idiosyncrasy about him who did not love to hunt and fish. The very highest type of manhood is always expressed in one who loves the out-of-door sports of hunting and fishing. I stand here as a splendid example of that myself. [Laughter.]

Mr. SHORTRIDGE. Mr. President, may I make an inquiry of the Senator from South Carolina?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from California?

Mr. SMITH. I yield.

Mr. SHORTRIDGE. Does the Senator from South Carolina proceed upon the theory that the States individually are unable to protect game and wild life?

Mr. SMITH. No; I have not discussed that question at all. My contention is that if the Federal Government is going to offer its good offices—and it has offered them almost everywhere—it will be with the consent of my State. That is all right; that is not objectionable to me, though I should object to the Federal Government going into my State, under whatever power it might assert the right to do so, without the consent of the State.

However, as I said in the opening sentence of my remarks, I think, from every standpoint, every State government in America is thoroughly alive to the necessity of preserving our wild life. It is for that reason I wanted to call attention, so far as I am concerned, to the fact that the adequate protection and propagation of the wild life of the country will pay for itself a thousand times over. Any reasonable provision which may be made to protect wild life will do that; and I, for one, am going to support both National and State appropriations for the purpose of providing for the preservation of wild life.

Mr. ASHURST. Mr. President, I do not desire to be misunderstood. I wish it distinctly to be known that I join with the Senator from South Carolina in the sentiments he has just expressed, and I wish I were capable of delivering such a brilliant—I will say dazzling—eulogy of piscatorial delights and pleasures of the sportsman as has my learned friend from South Carolina.

No man could appreciate more than I the treasures of nature, her wonderful works and her gay creatures, and I would much regret that anything should go into the Record that might seem to indicate that I had a cynical view of such legislation as that which protects wild life. Indeed, Mr. President, with perfect respect to Senators who have proposed this bill, the amendment of the Senator from Utah will do as much to protect wild life as will any amendment that has been proposed in the Senate.

Mr. President, in order that the Senate may not get the impression that we have singled out this bill, let me say that some time ago it became necessary to provide by law that the President should not establish any Indian reservation without the consent of Congress. It is also necessary to obtain the consent of Congress for the creation of national parks. We have not singled out this bill. It is really an application of the principle that should be applied to all such bills.

Mr. WALCOTT. Mr. President, I want to express to the Senator from South Carolina my appreciation of his explanation of the purposes of the bill and for his enthusiasm for what it may, and I hope will, accomplish. I also want to add from personal knowledge that the Senator from South Carolina is one of the finest sportsmen of whom I know and is also a true conservationist.

With reference to the amendment proposed by the Senator from Utah [Mr. KING], I see no objection to it; but I want to offer this word of explanation. Yesterday afternoon there met together, as I have before stated, a number of Senators who had objected to certain portions of this bill. The chief objection voiced yesterday afternoon during the discussion of the bill on the floor of the Senate was in reference to the particular point the Senator from Utah makes; in other words, it involved the desire absolutely to protect State rights against Federal encroachment.

I do not yield to anybody in the desire to protect State rights, whether East, West, North, or South, and I am in entire sympathy with everything the Senator from Utah has said. The same sentiments expressed here this afternoon were expressed yesterday very forcefully by the senior Senator from Wyoming [Mr. KENDRICK]. It was because of his contentions that we reduced the grant of Federal authority to this particular point, namely, to the creation of game farms, which are merely small experimental stations designed to increase the supply of game and to fish cultural stations designed to increase the supply of fish, and also provided the small numerical limit of only one in each State, in order to avoid possibly a lot of red tape and the delays which might be incurred in passing this bill through the Federal Congress. It was for that reason that we offered this amendment which yesterday satisfied the representatives of the Western States. Utah, however, was not represented at the meeting, as I did not know that the Senator from Utah objected to anything in the bill. I wish he had been there. I accept, and I am sure all the other members of the committee will accept the amendment of the Senator from Utah. We are entirely satisfied with it. It was only intended to save a little time and some red tape in establishing what possibly might be necessary game farms, not for the preservation but for the propagation of game.

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Mr. KING. Mr. President, I thank the Senator in charge of the bill for accepting the amendment. My only reason for offering it was to guard against what I have discovered, namely, the increasing appetite of Federal officials and Federal bureaus to invade the rights of the States. The Mountain States, my own State, and others, to my knowledge, have been the victims of the avarice of Federal officials who take charge of some of the public lands and who impinge upon the rights of individuals as well as upon the rights of the States.

As stated by my friend from Montana [Mr. WALSH] yesterday, Congress has been constrained to pass a law to prohibit the Executive from carving out of the public domain any area and establishing it as a reserve or carving it out for any purpose. The President has to come to Congress now and obtain legislation to accomplish that result. I know in my State efforts have been made to detach from the public domain considerable areas and to attach them to Indian reservations and to forest reserves and to make them subject to the control of some particular bureau. I trust, in view of the prejudice—the legitimate prejudice—which exists in my State against such invasions of the Federal Government, that the amendment which I have suggested may be accepted.

Mr. WALSH of Montana. Mr. President, I should like to have the attention of the Senator from Connecticut [Mr. WALCOTT], the Senator from Missouri [Mr. HAWES], the Senator from Wyoming [Mr. KENDRICK], and the Senator from Utah [Mr. KING] as well.

Two provisos were added to section 5 to meet the views, and perhaps the objections, of some of the Senators from the West. One of them provided that no game farm hereafter established shall exceed 2,000 acres in size. The other provided that not more than one such game farm shall hereafter be established in any State without the consent of the legislature of that State. The last proviso has now been amended so as to provide that no such game farm shall hereafter be established in any State without the consent of the legislature of that State.

Seeing that no game farm can be established in any State without the consent of the legislature of that State, there would seem to be no longer any occasion for limiting the size of the farm, because whenever it is proposed that a farm shall be created it must have the approval of the legislature. So I respectfully suggest that the purpose of the first proviso has been entirely met, and that it ought to be eliminated from the bill.

Mr. KENDRICK. Mr. President, I was absent from the Chamber when this amendment was offered by the Senator from Utah [Mr. KING]. I am interested in the question that has just been asked by the Senator from Montana.

If the amendment as proposed would authorize the establishment of more than one game farm in Wyoming, I am opposed to such amendment.

When the bill was under consideration by the committee, it was not the intention of the Senators from Wyoming to express the wish that one game farm might be established in the State, but to limit the provision to one farm and to limit the area of that farm to 2,000 acres.

Mr. HAWES. Mr. President—

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Missouri?

Mr. KENDRICK. I yield.

Mr. HAWES. The Senator is entirely correct. The limitation of 2,000 acres was to prevent an abuse through the taking over of tremendous bodies of land when only 2,000 acres were required for this purpose.

Mr. KENDRICK. At the time I understood the change to mean that only one game farm might be established in a State without the consent of the legislature of that State.

Mr. WALSH of Montana. Mr. President, let me say to the Senator that there were two provisos contemplating the creation of game farms by the action of the Federal authorities. It was provided first that no game farm thus created should be of a greater extent than 2,000 acres.

Mr. KENDRICK. That is correct.

Mr. WALSH of Montana. We then went further, and provided that no more than one such game farm should be established in any State without the consent of the legislature of the State. That has now been amended so that it is provided that no game farm shall be established in any State without the consent of the legislature.

Mr. KING. Will the Senator pardon me? Except that one may be established in Wyoming without the consent of that State, as a part of my amendment.

Mr. WALSH of Montana. Oh! I did not know that.

Mr. KING. May I read it?

The VICE PRESIDENT. Does the Senator from Wyoming further yield to the Senator from Utah?

Mr. KENDRICK. I do.

Mr. KING (reading:)

*Provided further, That no such game farm, except one in the State of Wyoming, shall hereafter be established in any State without the consent of the legislature.*

So the one which has been agreed upon in Wyoming may be established without the consent of the legislature.

Mr. WALSH of Montana. That is an entirely new idea to me. Let me understand why the Senator chose to select out the State of Wyoming for specific provision?

Mr. KING. Because I understood, in talking with the junior Senator from Wyoming [Mr. CAREY], that it had been agreed yesterday that the people of Wyoming had assented to the establishment of one without the consent of the legislature; that they were satisfied that one should be established now.

Mr. CAREY. Mr. President—

Mr. WALSH of Montana. Oh, no! In the consideration of this matter yesterday, on consultation with the Senator from Missouri, the Senator from Connecticut, and some of the Western Senators, including the junior Senator from Wyoming, we had agreed upon these provisos, namely, that no more than one game farm could be established in any State without the consent of the legislature, and that that game farm should not be greater than 2,000 acres.

Mr. KING. I understand.

Mr. WALSH of Montana. That is the only assent that the people of Wyoming have ever given, as I understand the matter, to the creation of any reserve in their State without the consent of the legislature. I take it that the junior Senator from Wyoming was merely expressing to the Senator from Utah what the agreement was in this conference of yesterday; but if every other State is exempted from the creation within its borders of a game farm except upon the consent of the legislature of the State, why should we give the Federal authorities the right to create this game farm in Wyoming without the consent of the Legislature of Wyoming?

Mr. KENDRICK. I agree fully with the statement made by the Senator from Montana. I believe that I express the viewpoint of my colleague, as well as myself, when I say that personally we are willing to have this game farm that was discussed in the committee yesterday established in Wyoming; and there is no doubt whatsoever in my mind but that the legislature of the State will approve such establishment, provided the acreage is limited. I therefore prefer to have the exception of Wyoming stricken from the bill.

Mr. WALSH of Montana. If the Senator will pardon me, I was entirely unaware of the amendment of the Senator from Utah. He advised me this morning that it was his purpose to propose an amendment so that it should read:

That no such game farm shall hereafter be established in any State without the consent of the legislature.

But as presented, apparently, it reads:

That no such game farm, except one in the State of Wyoming, shall hereafter be established in any State without the consent of the legislature of that State.

I wonder if the Senator from Utah will not consent that the exception be stricken from the bill.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Utah?

Mr. KENDRICK. I yield.

Mr. KING. I should be very glad to have that done, as I drew the amendment, and it was suggested by the Senator from Montana; but, as I understood the junior Senator from Wyoming [Mr. CAREY], he indicated that that might not be satisfactory only for the reason that they had already established one, not perhaps officially; and, as I understood, he did not want the prohibition to extend to the one which had been established at least de facto, if not de jure. I should very much prefer, of course, the amendment as I originally conceived it, so that none could be established in Wyoming or anywhere else without the consent of the legislature.

Mr. CAREY. Mr. President—

The VICE PRESIDENT. Does the senior Senator from Wyoming yield to his colleague?

Mr. KENDRICK. I yield.

Mr. CAREY. I spoke to the Senator from Utah this morning when he suggested his amendment to the bill and told him that there were certain lands in Wyoming which were adapted for a game refuge and which I thought possibly would be given for that purpose. In so far as the amendment is concerned, however, I think it would be much better with the words "except one in the State of Wyoming" left out of it, because I know that our legislature would agree to the establishment of this farm.

Mr. KING. Mr. President, I shall be very happy to have that modification made. I inserted that merely, as I supposed, to meet the desire of the Senator from Wyoming.

The VICE PRESIDENT. Will the Senator please modify his amendment as he wishes to have it read?

Mr. KING. Yes, Mr. President. I offer the following amendment:

That no such game farm shall hereafter be established in any State without the consent of the legislature of that State.

The VICE PRESIDENT. The question is on the amendment of the Senator from Utah.

Mr. BRATTON. Mr. President, it is gratifying to me that the amendment proposed by the Senator from Utah has been accepted by those in charge of the bill.

This measure relates largely to the so-called public-land States of the West. With the steady, constant, and progressive encroachment of the Federal Government in those States resting heavily upon us, the principle involved in the amendment is important.

The mere establishment of one so-called game farm in each State to embrace a limited area is not so important, but the policy of the Government in expanding its authority and encroaching more and more upon the Western States has become so onerous that those of us from that area are always anxious to minimize and reduce it.

I make no criticism of the authors of the measure in this particular respect, because they have done a commendable work in conducting an exhaustive survey throughout the country, and have brought to us a bill commendable in principle; but, Mr. President, the policy of the Government exercising exclusive jurisdiction over more and more of the territory of the Western States is a thing about which we are extremely anxious. That policy was conducted for years under the guise of extending Indian reservations by Executive authority. That became so pernicious to the welfare of those States that a few years ago Congress saw fit to provide that no more reservations should be created or enlarged through that method, so that that particular phase of the injury has been corrected.

But, Mr. President, this is a step in the same dangerous direction, or was a step in that direction before the authors of the measure accepted the amendment of the Senator from Utah. I take occasion to protest, on behalf of one of the Western States, against the ever-increasing encroachment of Federal authority in that area.

In my own State 43 per cent of the land is under Federal jurisdiction, over which the State authorities exercise limited or no jurisdiction whatever. Upon Indian reservations the State authorities have no jurisdiction in the matter of enforcing the criminal laws except respecting violations committed by whites. Upon other areas its jurisdiction is cir-

cumscribed. That enormous area is nontaxable, nonrevenue bearing, and nonincome producing in character, so far as the State is concerned. With that situation the State government and local county governments have struggled for years with only 57 per cent of their territory subject to domestic authority so far as levying taxes and requiring tribute to the expenses of government are concerned.

I commend the authors of the bill for accepting the amendment of the Senator from Utah, because it harmonizes with good administration of government as between State and Federal authorities.

I hope, too, Mr. President, that the amendment which the Senator from Tennessee has announced his purpose to introduce will be adopted, to the effect that no appropriations will be made to carry the provisions of this act into effect.

It has been said by the authors of the bill sincerely, and with perfect good faith, that the administration of this measure does not contemplate appropriations. I do not question their good faith in that respect, but I confidently believe that in only a few short years at most the executive department will come to Congress with an estimate asking for an appropriation to administer the act. It will be said then that the Congress cast this burden upon these departments and bureaus; that is to say, charged them with the duty of doing the things directed in the act, and that in order to do them, in order to carry forward the program already established and started, money is necessary. Then the urge will be made upon the committees of the House and the Senate to make appropriations with which to carry forward the work already initiated and already under way. The argument will be persuasive at that time and we will pay heed to it.

Mr. BORAH and Mr. BARKLEY rose.

The VICE PRESIDENT. Does the Senator from New Mexico yield?

Mr. BRATTON. I yield to the Senator from Idaho.

Mr. BORAH. I was simply going to suggest that in case conditions arise, which the Senator thinks likely will arise, the amendment of the Senator from Tennessee will go down. That will not protect at all.

Mr. BRATTON. Except that it will declare the intention of the Congress not to appropriate money to carry this act into effect, and if the departments initiate a program looking to that end, their argument for an appropriation will not be persuasive in the face of a congressional declaration made at the very outset.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Kentucky?

Mr. BRATTON. I yield.

Mr. BARKLEY. The question I had intended to ask was similar to that propounded by the Senator from Idaho. While it may be a very good gesture to forewarn the departments that this is not intended to lead to an appropriation, it will have no binding effect on future Congresses, and if the situation is changed in the future it might have no effect upon the determination as to whether we ought not to make an appropriation in the attempt to further this activity.

Mr. BRATTON. Mr. President, I realize that a provision of this kind would be no more than a declaration, but without some kind of a pronouncement on the subject the departments will inaugurate a system of administration under the act, and in a few years they will come to Congress with the statement that in order to carry that program forward; that to do the things enjoined upon them under the act, money is necessary, and that they have had no warning that Congress did not intend to provide the money with which to carry that program forward. At least a declaration of this kind would obviate that sort of a situation.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BRATTON. I yield.

Mr. McKELLAR. I want to call the attention of the Senator from Kentucky and of others who are interested to the fact that according to the recent message of the President known as the Budget message, there are demands for separate appropriations under 13 different wild game laws just



like this proposed law. This would make the fourteenth. Under each one of those laws there has grown up what they call a division. They do not call it a bureau, but it is in fact a bureau. They call it a division in the Biological Survey. I have just called the Senator's attention to the fact that out of the appropriations of \$1,700,000, \$436,227 are for salaries in the 13 bureaus, which already exist here in the city of Washington.

Mr. BARKLEY. Mr. President, will the Senator from New Mexico yield?

Mr. BRATTON. I yield.

Mr. BARKLEY. I realize the force of what the Senator from Tennessee says. I have not looked into the details of those 13 different divisions or bureaus under the Budget message, but I am wondering whether they overlap, or whether they are all devoted to separate types of wild life we are attempting to conserve.

Mr. McKELLAR. Although the proponents of this bill say that there is not to be any appropriation under it, although they have assured the Senate of that fact, yet they are not willing to put that statement in the bill, and I want to say that I have looked into the matter of these 13 different recommendations under these 13 different laws, and when the Senator from New Mexico gets through, and I get the floor, I shall have something to say about that.

Mr. BARKLEY. The mere fact that there are 13 bureaus dealing with wild life would not frighten me in any respect with reference to this particular bill. If this bill is needed, if it is the kind of legislation we ought to enact, and it shall develop in the future that there would have to be some small appropriation to carry it out, I would not be against it because of that.

Mr. McKELLAR. The Senator is entirely right in that; I would not, either. But this is to be a coordination of the present 13, as the proponents of this bill say.

Mr. HAWES. Oh, no.

Mr. McKELLAR. Then I misunderstood the Senator.

Mr. BRATTON. Mr. President, I shall detain the Senate only a moment longer.

Mr. HAWES. Will the Senator yield to me for a moment at this time?

Mr. BRATTON. I yield.

Mr. HAWES. The figures which the Senator from Tennessee has been giving to the Senate involve 25 years of department growth in the Biological Survey and the Department of Agriculture. The appropriations for all those departments are less this year than they were last year. There is no coordination proposed in this bill between those departments. The coordination is between the heads of all the departments in the interest of economy, so that there may not be a duplication of effort, so that there may be an understanding, not of the Biological Survey and the Bureau of Fisheries but each department in the President's Cabinet. There is no appropriation asked for under this bill. None is necessary. An attempt to bind some succeeding Congress in what Congress might determine at that time is not a part of this bill, which we believe is a measure in economy not only of wild life but in the expenditure of money.

Mr. BRATTON. Mr. President, of course it is not the desire of anyone to bind a subsequent Congress, but the effect of the amendment of the Senator from Tennessee would be to declare that in passing this measure of coordination it is not the purpose of the Congress to create additional machinery which will necessitate further expenditures from the Treasury.

The Senator from Missouri says that the appropriations sought this year for this work are less than those of last year. That is encouraging, because instead of talking about additional sources of income, we should talk seriously and earnestly about ways of reducing expenditures from the Treasury. Much is being said now about additional sources of revenue, means of providing more money for the Treasury. We should talk about less expenditures from the Treasury. Economy should be the watchword.

If it is the purpose of the proponents of the measure to coordinate the activities of this department, without addi-

tional expense, and to reduce expenditures, I see no reason for objecting to a declaration to that effect in the measure.

I hope very much that the amendment sponsored by the Senator from Tennessee will be adopted, so that our understanding in passing the measure respecting its operation without additional expenditure may stand as a part of the legislation itself.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the junior Senator from Utah [Mr. KING].

Mr. NORRIS. Mr. President, I was about to suggest that I would ask for the regular order.

Mr. HAWES. Only one amendment has been offered.

Mr. NORRIS. That one amendment has been pending all day.

Mr. McKELLAR. When the pending amendment shall be acted on, I will offer another amendment. I think it will take some time to dispose of my amendment.

Mr. NORRIS. I suggest also that I am informed that it is desired that we have an executive session. A large number of appointments are on the Executive Calendar to be passed on, and we want to have an executive session before we adjourn to-day.

Mr. McNARY. Mr. President, when I asked unanimous consent that the unfinished business be temporarily laid aside I thought there was more or less of an understanding that it would be brought up within a very short time and that we would have a vote on the unfinished business immediately after we disposed of the pending bill.

Mr. NORRIS. That is what I thought, but apparently this bill is not going to be disposed of to-day.

Mr. McNARY. Would the Senator from Nebraska be content to allow another hour to be taken in consideration of the pending bill and then have the unfinished business taken up?

Mr. NORRIS. As far as I personally am concerned, I have no objection to that, but suppose we say half an hour. Will that be time enough?

Mr. McKELLAR. Mr. President, frankly, if my amendment is to be contested, I do not think the argument on it can be concluded in half an hour.

Mr. NORRIS. As far as I am concerned, I will not make any demand for the regular order for half an hour, at least, and if at the end of that time there is any probability that we can get through with the pending bill in a few minutes, we can run right along.

Mr. McKELLAR. I have no objection to whatever course may be desired.

Mr. NORRIS. Is that satisfactory to the Senator from Oregon?

Mr. McNARY. That is all right.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the junior Senator from Utah [Mr. KING] to the proposed substitute.

The amendment to the amendment was agreed to.

Mr. WALSH of Montana. Mr. President, while we are on this matter, let me ask the Senator from Tennessee whether it would not be agreeable to have the subject completed before his amendment is offered?

Mr. McKELLAR. That is entirely agreeable.

Mr. WALSH of Montana. Agreeably to what I said a while ago, I move that the first proviso on page 4 of the bill be stricken from the bill.

The VICE PRESIDENT. Let the amendment be reported.

The LEGISLATIVE CLERK. On page 4, line 19, the Senator from Montana proposes to strike out the words "Provided, however, That no such game farm hereafter established shall exceed 2,000 acres in size."

Mr. WALSH of Montana. My view is that that is entirely unnecessary, by reason of the amendment made on the motion of the junior Senator from Utah [Mr. KING], providing that no game farm, whatever may be its size, may be established in any State without the consent of the legislature. Accordingly, there is no occasion for this language.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. McKELLAR. Mr. President, on page 5 of the amended bill now before us I offer the following amendment. Insert at the end of the last paragraph the following proviso:

*Provided further*, That no authority is given in this bill for setting up any additional bureau or division in any department or commission and shall not authorize any additional appropriations for carrying out its purposes.

In offering that amendment I have simply undertaken to incorporate in the bill what the proponents of the bill say in reference to its provisions in regard to appropriations. Of course, I understand perfectly well that there is no appropriation carried in the bill. The only thing that could be done along that line would be to authorize specifically an appropriation. I think it does authorize an appropriation, and I want to call the attention of the Senate to what has already been done in the way of appropriations for this purpose.

I might say in the beginning that so far as the general purposes of the bill are concerned I think everyone is in favor of them. We have been legislating on exactly the same subject, however, for the last 20 years, ever since I have been in Congress and possibly before, and each of those acts has provided for substantially the same thing. Of course, the provisions of the bill have been read but I want to read from the original law providing for the Biological Survey. This is an excerpt quoted from it by the President of the United States in his message on the budget.

For salaries and employment of labor in the city of Washington and elsewhere, furniture, supplies, including the purchase of bags, tags, and labels printed in the course of manufacture, traveling, and all other expenses necessary in conducting investigations and the carrying out of the work of the bureau—

Listen, Senators:

including cooperation with Federal, State, county, or other agencies or with farm bureaus, organizations, or individuals, as follows:

Everything that is contemplated in the bill now pending is covered there. The purposes are the same except expressed in a little different way:

For necessary expenses for general administrative purposes, including the salary of chief of bureau and other personal services in the District of Columbia, \$83,135.

Under that bureau there are 37.3 employees. I do not know how they divide their employees in the city of Washington into tenths but apparently the President has so divided them in the Budget message. There are 37.3 employees in the city of Washington to carry out that particular part of the wild game law.

Then apparently there is a chief of bureau at \$8,000 and other salaries ranging on down, in all, \$78,543, practically all of the appropriation, for employees here in Washington. There is fifteen-sixteenths of the appropriation for the preservation of wild game that is for personal services of people here in the District of Columbia. That is the first division that I have just read.

The second division is as follows:

Maintenance of mammal and bird reservations: For the maintenance of the Montana National Bison Range and other reservations and for the maintenance of game introduced into suitable localities on public lands, under supervision of the Biological Survey, including construction of fencing, wardens' quarters, shelters for animals, landings, roads, trails, bridges, ditches, telephone lines, rockwork, bulkheads, and other improvements necessary for the economical administration and protection of the reservations, and for the enforcement of section 84 of the act approved March 4, 1909 (U. S. C., title 18, sec. 145), entitled "An act to codify, revise, and amend the penal laws of the United States," and acts amendatory thereto, and section 10 of the migratory bird conservation act of February 18, 1929 (U. S. C., Supp. IV, title 16, sec. 715i): *Provided*, That \$2,500 may be used for the purchase, capture, and transportation of game for national reservations, \$83,913.

That is the second bureau that is established for the preservation of wild life. Let us see how many people are in that bureau. There are 4.1 in the city of Washington and 10.6 outside of the city of Washington. Here is another act passed just like the bill we have before us. It seems to

be fashionable to pass one about every year. This one provides:

Food habits of birds and animals: For investigating the food habits and economic value of North American birds and animals in relation to agriculture, horticulture, and forestry, including methods of conserving beneficial and controlling injurious birds and animals, \$105,810.

A separate bureau here in Washington is to investigate and report. Who receives the report from this particular bureau about these animals I do not know. Here we have a deficit in the Treasury of \$1,700,000,000 to-day, and yet we are asked to appropriate \$105,810 for carrying out a suggestion of the President for this bureau relating to wild life that probably has never affected the situation in the slightest. I invite the attention of Senators to the fact that when once we establish a bureau in any one of the departments there is a constant increase in the personnel of that bureau and in the cost and expense of the bureau. They go up like magic.

Ten years ago, in 1920, the Congress appropriated for the protection of wild life in America \$742,170.

Mr. KING. That was just for the one bureau.

Mr. McKELLAR. Yes; just for the Biological Survey. In 1921 we increased that to \$785,885. That was a very modest increase. I can not imagine how that happened. In 1922 it was increased a little more, to \$823,325. In 1923 it was increased to \$870,560; in 1924 it was increased to \$872,265 and in 1925 to \$957,320. It was growing apace. This was an increase of 40 per cent in five years. Where did it go? It went to the increase in bureau personnel largely here in the city of Washington.

In 1926 it went up to \$1,372,768. In 1927 somebody evidently got a little economical and it dropped back to \$987,365, but the next year, 1928, it went up again to \$1,235,020. In 1929 it went back a little, to \$1,170,500, but in 1930 it jumped to \$1,509,166, in 1931 to \$2,218,320, and in 1932 to \$2,229,170.

While it is true that a little less than \$1,800,000 is recommended, yet if the bill now before us passes it will go away beyond the \$2,218,000 appropriated for last year. In my humble judgment, we have no moral right thus to dispose of the money of the people of the United States when there is a deficit in the National Treasury of \$1,700,000,000. We have no right to provide for another bureau in the Biological Survey doing precisely the same kind of work that is now being done. It is indefensible if not illegal.

I come now to the fourth bureau. Somebody stated that this work was not paralleled. It is just an expansion, it is said. However, I believe it is all the same work. If we are going to establish another bureau to do the very work that is now being done there, it is a useless expenditure of money. The fourth provides as follows:

Control of predatory animals and injurious rodents.

I suppose that is for lions and tigers. "Rodents" means rats. Lions and tigers and rats! Of course we would have to get some lions and tigers from another country before we could use much of the appropriation for them, but the rats are with us, and, of course, everybody recognizes that there can not be a higher duty for the American Government than to go out and kill rats and mice!

But just consider for a moment the amount that is appropriated for this purpose—\$573,780. Here we have a Treasury "in the red" to the extent of \$1,700,000,000, and we have been urged to appropriate for a bureau in this very department \$573,780. It is not good business. It is not just to the American people. It is not fair to the American taxpayer, and we ought not to set up another such bureau. There are already 13 bureaus all doing virtually the same work now.

I come to the next one, entitled "Production of fur-bearing animals." Here is the language of the act, almost identical with that which we are now considering in the bill before us:

For investigations, experiments, demonstrations, and cooperation in connection with the production and utilization of fur-

bearing animals raised for meat and fur in the United States and Alaska.

It goes right along with the provisions of the bill we are now about to pass.

I come now to the next one:

For biological investigations, including the relations, habits, geographic distribution, and migration of animals and plants.

I suppose plants do migrate. At any rate we have a bureau to tell us whether and how and where they migrate. I have never seen a report from any one of these bureaus as to the migration of plants, but I have no doubt they are busily working on the subject. They have 16 employees in the bureau here in Washington determining how animals and plants migrate.

For investigations of the relations of wild-animal life to forests, under section 5 of the act approved May 22, 1928, and for investigations, experiments, and demonstrations in the establishment, improvement, and increase of the reindeer industry and of musk oxen and mountain sheep in Alaska, including the erection of necessary buildings and other structures, \$125,480.

Then comes the next bureau that is established in the biological survey. It is almost identical with what is now proposed to establish:

Protection of migratory birds: For all necessary expenses for enforcing the provisions of the migratory bird treaty act of July 3, 1918 (U. S. C., title 16, secs. 703-711), and for cooperation with local authorities in the protection of migratory birds, and for necessary investigations connected therewith, \$217,340.

Here comes the next bureau, which is confined to Alaska and for which there is only proposed an appropriation of \$155,650.

Then there is another little bureau for the enforcement of the Alaskan game laws.

Then comes still another appropriation and another bureau.

For the acquisition—

Lands are being authorized to be acquired under the act from which I am about to read. We have already legislation of that character. Listen to it:

For the acquisition of areas of land or land and water pursuant to the act entitled "An act to establish the Upper Mississippi River Wild Life and Fish Refuge," approved June 7, 1924 (U. S. C., title 16, secs. 721-731), as amended, and for all necessary expenses incident thereto, including the employment of persons and means in the city of Washington and elsewhere, \$34,400, which shall be available until expended, being part of the sum of \$1,500,000 authorized to be appropriated for such purpose by section 10 of said act; and for all necessary expenses of the Secretary of Agriculture authorized by section 9 of said act, \$46,178: *Provided*, That the Secretary of Agriculture may incur obligations and enter into contracts for the acquisition of additional areas to an amount which, inclusive of the amounts heretofore and herein appropriated, shall not exceed a total of \$1,500,000.

This appropriation is for \$80,578. One would think that it would be nearly enough to look after the wild life of America; but I come to another law which was enacted by a recent Congress.

For the establishment of a suitable refuge and feeding and breeding ground for migratory wild fowl, including the acquisition of water rights and privately-owned lands pursuant to the act entitled—

And so forth.

And for all expenses incident thereto, including the employment of persons and means in the District of Columbia and elsewhere, the unexpended balance of the appropriation of \$75,000 for this purpose.

And then in addition, \$32,100.

But even that was not all, Mr. President. Here is an item for another bureau of the same department of the Government:

For carrying into effect the provisions of the act entitled "An act to more effectively meet the obligations of the United States under the migratory-bird treaty—

I do not know what it is proposed to call this proposed act, but I suppose it would be "The migratory bird conservation act." It is all the same; there is just a little difference in language; and it would give the department an excuse to set up an additional bureau with a lot of clerks and a lot of expense.

For carrying into effect the provisions of the act entitled "An act to more effectively meet the obligations of the United States under the migratory-bird treaty with Great Britain by lessening the dangers threatening migratory game birds from drainage and other causes by the acquisition of areas of land—

This is the third act already for the acquisition of lands—and of water to furnish in perpetuity reservation for the adequate protection of such birds; and authorizing appropriations for the establishment of such areas, their maintenance and improvement, and for other purposes," approved February 18, 1929 (U. S. C., Supp. IV, title 16, secs. 715-715r), \$320,000, authorized by section 12 of the act, which sum is composed of \$200,000, a part of the sum of \$600,000 authorized to be appropriated for the fiscal year ending June 30, 1932, and \$120,000 authorized to be appropriated for the fiscal year ending June 30, 1933, and in addition thereto \$3,453 authorized by section 18 of the act; in all, \$323,453, together with the unexpended balance of the appropriation of \$400,000 for the purposes of section 12 of said act as contained in the Agricultural appropriation act for the fiscal year 1932: *Provided*, That the Secretary of Agriculture may incur obligations and enter into contracts for the acquisition of additional areas approved for purchase or rental by the Migratory Bird Conservation Commission provided for in section 2 of said act to an amount which, inclusive of the amounts heretofore and herein appropriated, shall not exceed a total of \$875,000, and such contracts shall be deemed contractual obligations of the Federal Government.

Mr. President, I digress here long enough to say that if the President's recommendation is carried out, and this appropriation be approved by the Congress, instead of there being appropriated \$2,229,170 as last year, there will be appropriated nearly \$3,000,000 for this purpose at this session.

Mr. President, those are not all the bureaus. Here is another one.

#### CHEYENNE BOTTOMS MIGRATORY-BIRD REFUGE

That seems to be a refuge in Wyoming. There was appropriated last year only \$200,000; but the appropriation of \$200,000 was not used, and the unexpended balances of \$50,000 and \$200,000 are reappropriated. The amount we are appropriating this year for the preservation of migratory game will run well over \$3,000,000.

Here is another bureau for the same purpose.

Mr. President, under these circumstances it seems to me that by all means this limitation upon this proposed act should be adopted. This limitation proposes to fix in exact language what the proponents of the bill desire, and I can not understand why they are not willing to put it in the proposed law.

I want again, Mr. President, to call attention to the fact that there are 162 employees in these various bureaus here in the city of Washington, drawing large salaries, for the purpose of enforcing this law. The Government is paying them \$436,227 a year right here in Washington. They are making investigations in one bureau which no one will ever read; they are making investigations probably without ever making a report. Under various acts, 13 of such bureaus have been established in the departments, primarily or ostensibly for the protection of wild game in America, but really and actually we are building up bureau after bureau every year in the Department of Agriculture. It ought to be stopped, and there is but one way by which it can be stopped, and that is to provide in the bill itself that no appropriation is authorized.

Mr. President, as I understood the Senator from Missouri and the Senator from Connecticut, it is agreed that no additional appropriation shall be provided because of this measure. Let us see what there will be added.

Mr. FESS. Mr. President, will the Senator yield for a question?

Mr. McKELLAR. Yes.

Mr. FESS. If the Senator's amendment were put in the bill, would it bind any succeeding Congress?

Mr. McKELLAR. No. If we shall pass this bill, no succeeding Congress will be bound by it; any succeeding Congress may disregard it or repeal it. We can not bind anybody except the present Congress, and that is what I want to bind. I am sorry the Senator from Washington [Mr. Jones], the chairman of the Appropriations Committee, is not present, for I should like to say to him that what I am seeking to do by this amendment is to prevent the depart-

ment sending in additional requests for appropriations to carry out the provisions of this bill. Here is what will be done. Listen to this provision in the bill:

That the Secretary of Agriculture and the Secretary of Commerce are authorized to provide expert assistance to and to cooperate with Federal, State, and other agencies in the rearing, stocking, and increasing the supply of game and fur-bearing animals and fish—

That is an unlimited authorization. They could send to Congress an estimate for a million dollars if the bill should be passed and the Congress should be willing to give it. We ought not to make any such blind authorization as that.

Mr. KING. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. KING. A moment ago the Senator read some of the appropriations for the Biological Survey since 1920. Will it interrupt the Senator if I call his attention to some other appropriations for that bureau?

Mr. McKELLAR. Not at all.

Mr. KING. Merely for the purpose of illustrating how when one cell is created two or three other cells will soon be developed, and still others, let me show how since 1886 the appropriations for the Biological Survey have grown. In that year the Biological Survey received an appropriation of only \$5,000; in 1887, \$10,000; in 1888, \$12,000; in 1889, \$13,085.90; in 1890, \$15,060; in 1891, \$23,864; in 1892, \$24,860; in 1893, \$24,860, the same as in the previous year; in 1894, \$27,360; in 1895, \$27,360; in 1896, \$27,560; in 1897, \$27,560; in 1898, \$27,560; in 1889, \$27,560; in 1900, \$27,560—there seemed to be uniformity in administration and in expenditures under the law during those years; in 1901, \$30,300; in 1902, \$32,800; in 1903, \$45,850; in 1904, \$51,850; in 1905, \$51,850; in 1906, \$52,000; in 1907, \$52,000; in 1908, \$52,000; in 1909, \$62,000. Then there was a special appropriation in the same year of \$50,700. In 1910 the appropriation for this bureau was \$87,420; in 1911, \$86,920; in 1912, \$139,700; in 1913, \$191,400; in 1914, \$170,990; in 1915, \$281,290; in 1916, \$521,290—nearly double the appropriation for the preceding year; in 1917, \$578,230; in 1918, \$669,736; and in 1919, \$820,472.

The Senator from Tennessee has already stated that the appropriations for last year were more than \$2,000,000 and that for this year they will exceed that amount.

Mr. McKELLAR. I think they will exceed \$3,000,000 this year, including the unappropriated balances which are reappropriated.

Mr. KING. So, from the modest beginning of \$5,000 in 1886, we have this gigantic figure now, which demands more than \$2,000,000 for this one bureau.

Mr. McKELLAR. It will probably require more than \$3,000,000 for the ensuing year.

Mr. KING. This is merely an illustration of the growth of bureaus and Federal organizations which are set up.

Mr. WALCOTT. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. I yield.

Mr. WALCOTT. I am anxious to have a vote on this bill this afternoon. I can not see that the amendment which has been offered by the Senator from Tennessee will do more than estop appropriations during this session of Congress. I do not see why the amendment should not be accepted.

Mr. McKELLAR. That will be entirely satisfactory to me.

Mr. WALCOTT. I am willing to accept the amendment and then I trust we may have a vote on the bill.

The PRESIDING OFFICER (Mr. DICKINSON in the chair). The question is on the amendment offered by the Senator from Tennessee, as amended.

Mr. JONES. Mr. President, I wish to express my gratification at the adoption of an amendment like that. Without going into the matter at this time, I think hereafter the Senate ought to scan very carefully the bills which come before it with reference to authorizations.

Mr. HARRIS. Mr. President, I should like to say that I join with the Senator from Washington [Mr. JONES] in the view he has expressed. I think that every bill which comes before the Senate ought to be scrutinized in order to see if

the appropriations carried can not be reduced. We are obliged to stop appropriating so much money.

Mr. McKELLAR. Mr. President, I call for a vote.

Mr. McNARY. Mr. President, as I understand, the question is on agreeing to the amendment of the Senator from Tennessee.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee as amended. [Putting the question.]

The amendment as amended was agreed to.

Mr. KING. Mr. President, before a vote is taken on the bill I wish the Senator from Connecticut would examine the very long title of the bill. It seems to me it is too long and too comprehensive; and I suggest to him the following as an amendment:

An act to promote the conservation of wild life, fish, and game, and for other purposes.

The purposes expressed here would permit the establishment of forests and would authorize engaging in all sorts of activities. The declaration that this is a bill to insure adequate supplies of wild plant and animal life, including forests, seems to me to be a declaration far beyond the power of the Federal Government. The Federal Government does not have power to insure supplies to individuals or States; and it seems to me the title is entirely too long.

I beg the Senator to accept the title which I have suggested:

An act to promote the conservation of wild life, fish, and game, and for other purposes.

I am sure the Senator will accept that amendment.

The VICE PRESIDENT. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. KING. Mr. President, may I offer an amendment to the title after the bill is passed?

The VICE PRESIDENT. Yes.

The bill was ordered to a third reading and was read the third time.

Mr. KING. Mr. President, a parliamentary inquiry: I do not jeopardize the right to offer an amendment to the title after the bill is passed, do I?

The VICE PRESIDENT. No; the time to amend the title is after the passage of the bill.

Mr. KING. That is my understanding.

The VICE PRESIDENT. The question is on the passage of the bill.

The bill was passed.

Mr. KING. I offer an amendment to the title, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment to the title will be stated.

The CHIEF CLERK. It is proposed to amend the title so as to read:

An act to promote the conservation of wild life, fish, and game, and for other purposes.

The VICE PRESIDENT. Without objection, the title will be amended as proposed by the Senator from Utah.

#### OPERATIONS OF FEDERAL LAND AND JOINT STOCK BANKS

Mr. McKELLAR. Mr. President, I ask unanimous consent for the reading of the resolution I send to the desk, and for its immediate consideration. It merely asks for information, and I am sure there will be no objection to it.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The Chief Clerk read Senate Resolution 86, submitted by Mr. McKELLAR on the 14th instant, as follows:

Resolved, That the Federal Farm Loan Board be, and it is hereby, requested and directed to report to the Senate at the earliest possible moment the number of farm loans held by the Federal land banks and joint-stock banks now in arrears, giving the same by States up to December 1, 1931; also how many foreclosures have been made or ordered during the years 1929 and 1930 and 1931 up to December 1. The Farm Loan Board is further requested and directed to furnish the Senate with the number of farms bought in by the various land banks at their foreclosure sales, and the number of farms still owned by the banks.



Mr. STEIWER. Mr. President, a parliamentary inquiry: Does the Senator from Tennessee ask unanimous consent for the immediate consideration of the resolution?

Mr. McKELLAR. Yes.

Mr. STEIWER. I am wondering if the Senator would permit me to ask a question about the resolution before that question is presented.

Mr. McKELLAR. Certainly.

Mr. STEIWER. Does this reference to the years refer to each year severally?

Mr. McKELLAR. Yes.

Mr. STEIWER. Or to foreclosures for the 3-year period?

Mr. McKELLAR. No; it asks for information as to foreclosures up to December 1.

Mr. STEIWER. As I understand the reading of the resolution, it referred to a 3-year period.

Mr. McKELLAR. No.

Mr. STEIWER. I assume the Senator would prefer to have the information by years.

Mr. McKELLAR. We do. We get that under the resolution.

Mr. STEIWER. I thank the Senator.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered by the Senate and agreed to.

#### FINANCE COMMITTEE INVESTIGATIONS

Mr. TOWNSEND. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, with an amendment, Senate Resolution 89, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution.

The amendment was, in line 5, after the word "customs," to strike out "currency, and coinage matters," so as to make the resolution read:

*Resolved*, That the Committee on Finance, or any subcommittee thereof, hereby is authorized to sit during the sessions or recesses of the Seventy-second Congress at such times and places as they may deem advisable; to make investigations into internal revenue, customs, and other matters within its jurisdiction, and to compile and prepare statistics and documents relating thereto as directed from time to time by the Senate and as may be necessary; and to report from time to time to the Senate the result thereof; to send for persons, books, and papers, to administer oaths, and to employ such expert, stenographic, clerical, and other assistance as may be necessary; and all of the expenses of such committee shall be paid from the contingent fund of the Senate; and the committee is authorized to order such printing and binding as may be necessary for its use.

#### VALUE OF FARM CROPS

Mr. FRAZIER. Mr. President, I desire to call attention to an article in this morning's United States Daily on the value to farmers of all crops, stating that that value is \$4,000,000,000. The article is based on a statement of the Agriculture Department as to December 1 of this year. The value of farm crops throughout the United States in 1929 was estimated by the Agriculture Department to be a little over \$8,000,000,000; and, as I have stated, on December 1 of this year it was estimated at a little over \$4,000,000,000.

In the last two years, therefore, the value of farm crops has gone down 49 per cent, according to the Agriculture Department. That represents the condition of the farmers to-day.

I ask unanimous consent to have this article printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

[From the United States Daily of Thursday, December 17, 1931]  
VALUE TO FARMERS OF ALL CROPS SET AT FOUR BILLIONS—DECLINE OF 49 PER CENT IN TWO YEARS IS SHOWN IN DECEMBER ESTIMATES OF AGRICULTURE DEPARTMENT—CORN YIELD LEADS IN VALUATION DROP—COTTON SECOND IN DECREASE, WITH WHEAT THIRD; ACREAGE CURTAILED BY DROUGHT AND HARVEST FAILURES

The value to farmers of all crops produced in the 1931 season is estimated at \$4,122,850,000, on the basis of December 1 prices,

in the December crop report of the Department of Agriculture, made public December 16.

The valuation compares with \$5,818,820,000 for 1930 and \$8,088,494,000 for 1929, the department said, the reduction of 49 per cent in two years being due primarily to reduced prices and affecting practically all crops. The greatest drop in value is in the corn crop, which shows a decline of \$1,043,000,000 from the level of 1929, with cotton and cottonseed showing the next largest drop of \$854,000,000, and wheat third with \$446,000,000, according to the report. The crop report and comment accompanying it follow in full text:

#### UNIFORM DECLINE SHOWN

On the basis of December 1 prices, the total value of the crops produced in the United States in 1931 is estimated by the Department of Agriculture at \$4,122,850,000, compared with \$5,818,820,000 last year and \$8,088,494,000 in 1929. The decline in crop values compared with two years ago is nearly \$4,000,000,000, or 49 per cent. The percentage of decline is rather uniform in all parts of the country except for the very heavy reduction in the Dakotas, due to drought this year.

The decrease is also shared by practically all crops. About \$1,043,000,000 of the decrease is in corn, \$854,000,000 in cotton and cottonseed, \$446,000,000 in wheat, \$386,000,000 in hay, \$263,000,000 in potatoes, \$220,000,000 in oats, and \$130,000,000 in tobacco, with correspondingly large decreases for less important crops.

These reductions in value are due primarily to the decline in prices. In comparison with 1930, prices in 1931 are about 36 per cent lower and production of principal crops was 10.1 per cent greater. Exclusive of fruits, the acreage harvested in 1931 was 350,672,000 acres, a reduction of 9,225,000 acres, or 2.6 per cent, from the acreage harvested in 1930.

#### CROP FAILURES CITED

With acreages higher in most parts of the country, this reduction was due to the tremendous decrease of more than 13,000,000 acres from drought and crop failure in California and five States in the Northern Great Plains, an area equal to approximately 21 per cent of the total crop acreage in those States in 1930. Crop yields per acre harvested in 1931 averaged 11.7 per cent higher than the very low yields of 1930 and 4.1 per cent above the yields of 1929, which were 97.8 per cent of the average yields of the preceding 10 years.

These valuations are based on estimates which have been materially revised toward the production shown by the census for 1929. Except where other enumerations, records of commercial deliveries, or differences in classification justify other figures, the estimates of acreage, yield, and production in 1929 are substantially the same as those determined by the census taken in April, 1930, for the crop season of 1929.

The estimates for 1930 and 1931 have been revised proportionately. This complete revision has not materially changed the estimates of total production of wheat, rice, tobacco, peanuts, beans, sugar beets, broomcorn, or hops, and in general estimates for other crops have been little changed in areas where they are extensively raised for sale. The crops chiefly affected are those which are largely fed or consumed on the farms where grown and for which it is difficult to determine the true level of production.

#### REVISION DUE TO LOSS

For these crops the revision represents in part a shift from reports based on field-run weight at harvest to production as determined some months later after there has been some shrinkage and loss in curing, cleaning, and culling and some incidental use. This does not affect to any extent comparisons between the revised United States estimates for the last three seasons, but it may affect some comparisons between crops and between States. Pending complete revision of the earlier records, the present estimates for feed crops, potatoes, sweetpotatoes, and some minor crops, are not comparable with the unrevised estimates for years prior to 1929.

A revision from 1919 to 1928, inclusive, is being prepared for the field crops for publication before the beginning of the 1932 crop season.

#### EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Farrell, its enrolling clerk, announced that the House had passed the following joint resolutions, in which it requested the concurrence of the Senate:

H. J. Res. 141. Joint resolution to provide additional appropriations for the Veterans' Administration for the fiscal year ending June 30, 1932; and

H. J. Res. 142. Joint resolution making an additional appropriation for the Employment Service, Department of Labor, for the fiscal year ending June 30, 1932.

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MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

HOUSE BILL AND JOINT RESOLUTIONS REFERRED

The following bill and joint resolutions were severally read twice by their titles and referred as indicated below:

H. R. 5821. An act to provide for the taxation of incomes in the District of Columbia, to repeal certain provisions of law relating to the taxation of intangible personal property in the District of Columbia, and for other purposes; to the Committee on Finance.

H. J. Res. 141. Joint resolution to provide additional appropriations for the Veterans' Administration for the fiscal year ending June 30, 1932; and

H. J. Res. 142. Joint resolution making an additional appropriation for the Employment Service, Department of Labor, for the fiscal year ending June 30, 1932; to the Committee on Appropriations.

MUSCLE SHOALS COMMISSION (S. DOC. NO. 21)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Agriculture and Forestry and ordered to be printed:

To the Congress of the United States:

In my message to the Senate on March 3 last, returning without my approval Senate Joint Resolution No. 49, I suggested that as the solution of the Muscle Shoals problem was a matter of major interest to the States of Tennessee and Alabama, these States should set up a commission of their own representatives to cooperate with a like commission appointed by me to consider the disposition of the Muscle Shoals project.

On March 20, 1931, the Legislature of the State of Tennessee passed the accompanying resolution, which was approved by the governor on March 23, 1931. Under this resolution Mr. Mercer Reynolds, Mr. Vance J. Alexander, and Mr. W. A. Caldwell were appointed members of the commission. As Mr. Alexander and Mr. Caldwell were unable to serve, the governor subsequently appointed Mr. J. F. Porter and Mr. R. L. Moore to fill the vacancies. On June 30, 1931, the Assembly of Alabama passed the accompanying resolution, which was approved by the governor on June 30, 1931, and under it Mr. S. F. Hobbs, Mr. Will Howard Smith, and Mr. W. F. McFarland were appointed members of the commission. On July 14, 1931, I appointed Col. Harley B. Ferguson, Corps of Engineers, United States Army; Col. Joseph I. McMullen, Office of the Judge Advocate General, United States Army; and Mr. Edward A. O'Neal, president of the American Farm Bureau Federation as members of the commission.

Hearings were held, and after long consideration of the subject the commission rendered to me a unanimous report which I now transmit for the consideration of the Congress. In addition, the commission has prepared a brochure showing the evidence on which its recommendations are based. This I also transmit for the information of the Congress.

HERBERT HOOVER.

THE WHITE HOUSE, December 17, 1931.

CALL OF THE ROLL

The VICE PRESIDENT. Under the agreement, the unfinished business is now before the Senate. The question is on the election of a President pro tempore.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Austin	Elaine	Byrnes	Couzens
Bailey	Borah	Capper	Cutting
Bankhead	Bratton	Caraway	Dale
Barbour	Brookhart	Carey	Dickinson
Barkley	Broussard	Coolidge	Dill
Bingham	Bulkeley	Copeland	Fess
Black	Bulow	Costigan	Fletcher

Frazier	Johnson	Neely	Smoot
George	Jones	Norris	Steiwer
Glass	Kean	Nye	Thomas, Idaho
Goldsborough	Kendrick	Oddie	Thomas, Okla.
Gore	Keyes	Patterson	Townsend
Hale	King	Pittman	Trammell
Harris	La Follette	Reed	Vandenberg
Hastings	Lewis	Robinson, Ark.	Walcott
Hatfield	Logan	Robinson, Ind.	Walsh, Mass.
Hawes	McGill	Schall	Walsh, Mont.
Hayden	McKellar	Sheppard	Watson
Hebert	McNary	Shipstead	White
Howell	Morrison	Shortridge	
Hull	Moses	Smith	

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

PROPOSED HOLIDAY RECESS

Mr. ROBINSON of Arkansas. Mr. President, with the permission of the Senate, I would like to make a brief statement with respect to the subject which was under discussion in the Senate a few moments ago on the initiative of the Senator from Idaho [Mr. BORAH]. It relates to the adjournment for a holiday season.

Some days ago I read in the newspapers that the senior Senator from Indiana [Mr. WATSON] and the Speaker of the House of Representatives, Mr. GARNER, had agreed upon an adjournment from next Tuesday until the 4th day of January. At the time that announcement was made in the press, so far as I know, no one on this side of the Chamber had been consulted.

On a later day, while I was in conference with the Speaker of the House of Representatives about other and more important matters, the Senator from Indiana came to the Speaker's room and inquired about an arrangement for adjournment for the holidays. The Speaker said, as I recall it, that the committees of the House would be in session, that some of them would remain in session, and that he would like to have the House meet next Monday and next Tuesday.

Both the Senator from Indiana and I called the Speaker's attention to the fact that there was no business before the Senate, and I now call attention to the fact that there is not a single bill on the Senate Calendar. The only bill which has been reported at this session has just recently been disposed of, and the only resolution on the calendar, that of the senior Senator from California [Mr. JOHNSON], was likewise disposed of to-day.

The Senator from Indiana then asked whether I would consent to an adjournment on Friday until Tuesday, with the understanding that on Tuesday the Congress would take an adjournment until the 4th of January, and I did so. My reason for doing that was that I did not believe then that it would be possible for the Senate to transact any business of very great importance within the period arranged at the suggestion of the Senator from Indiana for a holiday. I still think that is true.

I say now to the Senator from Idaho that I do not believe the Senate is justified in remaining in session merely to continue voting on the election of a President pro tempore. If there were important bills before the Senate or if the circumstances indicated that in all probability such measures would be brought here I would recognize the force of the argument that the Senate should adopt a new and unusual custom, deprive itself of a vacation, and continue in actual session. I would even go further than the proposal that there be a vacation for five days. If there were important business to be considered here and disposed of, I would be willing to eliminate the 5-day adjournment. I see no more reason for a 5-day adjournment than for the adjournment which has been tentatively arranged in the manner already stated.

So far as I am concerned, I do not propose to play the game in any other than a frank and open way. I do not see the necessity or the occasion for the Senate staying in session to vote on the election of a President pro tempore unless there is some indication that a conclusion may be reached. I believe that the committees of the Congress, including the committees of the Senate as well as those of the House of Representatives, can transact much important business during the holiday which has been arranged for, and, so far as

I am concerned, I propose to abide by the agreement which has been entered into. I do not seek to impose my views upon any Member on this side of the Chamber. If the majority has changed its views, I think I am entitled to notice of that fact. I have received no such notice.

Mr. JONES. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield to the Senator from Washington.

Mr. JONES. The Senator suggested that he understood that we would adjourn from to-morrow until Tuesday. I wanted to call the Senator's attention to the fact that two measures have come over from the House to-day, and the Committee on Appropriations will meet to-morrow afternoon and pass on them. Of course, if we can act on them to-morrow afternoon that will be satisfactory.

Mr. ROBINSON of Arkansas. There would not be the slightest objection to continuing in session. But here we are in the situation of having no business to transact, not a measure on the calendar, nobody bringing anything forward. If the Senator from Washington will bring forward his measures, of course we will dispose of them.

Mr. JONES. I was going to suggest that we should not adjourn over Monday; that we could meet Monday and pass those emergency measures.

Mr. ROBINSON of Arkansas. Certainly. So far as I am concerned, the Senate may stay in continuous session throughout the holidays. I expect to take an adjournment myself, pursuant to the arrangement entered into, but I have not the slightest objection to other Senators pursuing the course which has been proposed by the Senator from Idaho.

I want to say in all frankness that I do not appreciate the course this matter is taking and has been taking. I recognize the right of every Senator here to have just as much control of when the Senate shall adjourn as I have. I acquiesced in a suggestion made by the leader of the majority. I thought I was doing the right, fair, and proper thing, and, so far as I am concerned, I intend to abide by the agreement we entered into.

Mr. BARKLEY. Mr. President, will the Senator from Arkansas yield to me?

Mr. ROBINSON of Arkansas. I yield.

Mr. BARKLEY. I wish merely to emphasize what the Senator has said, by stating that the major committees of the Senate have been able to meet only this week after their organization a few days ago. Most of them have held preliminary meetings, have discussed important legislation, and appointed subcommittees to consider that legislation, but have recognized the impossibility of reporting important measures back here for the consideration of the Senate prior to the Christmas holidays. Some of them have arranged to meet during the holidays to consider these measures so that they might be brought out as early as possible after we reassemble.

I make this statement in confirmation of the attitude of the Senator from Arkansas that we would have no legislation on the calendar to dispose of if we stayed here until Christmas Day.

Mr. ROBINSON of Arkansas. Mr. President, I thank the Senator from Kentucky for his statement. I understand that the committees in the House of Representatives are considering important measures; that with the exception of what is known as the moratorium bill, it is not expected that any important measure will be reported prior to the holiday season. I have understood that it was not expected that the moratorium would be taken up in this body, and that understanding was reached from a discussion of the subject on the floor of the Senate in which it was indicated that some consideration of the matter would be required by the Committee on Finance.

I do not think we ought to act in a childish manner about this question. I do not think any partisan advantage is to be gained by entering into an agreement and then receding from it.

The matter is not of great importance. So far as I am concerned, as I said before, if the Senate wishes it can stay

here and vote continuously on the election of a President pro tempore, and if the vote results in the selection of the Senator from Nevada [Mr. PITTMAN] I will feel that its labors and its time have been profitably expended.

Mr. JONES. Mr. President, I wish to say to the Senator that I did not intend to reflect upon his attitude at all. I merely wanted to call attention to the fact that two joint resolutions came over from the House to-day, and I was satisfied the Senator did not know about them, because they came over just a few moments ago, and we wanted to be sure to pass those before we took a recess.

Mr. WATSON. Mr. President, I am very glad indeed to hear the Senator from Arkansas. His recollection and mine agree entirely. We are in very happy accord as to all the facts.

It is true that I consulted with the Speaker of the House of Representatives. It is true that at that time we agreed that, so far as we were concerned, there should be an adjournment from the 22d of December until the 4th of January. It is true that I came back here and consulted with a number of Senators and, as I stated on the floor of the Senate the other day, no fewer than two dozen Senators—and I kept a list of them—came to me to say that they intended to go home and did not want to remain in Washington over the holidays. They wanted to be with their families, or they had other reasons which justified them in absenting themselves from Washington at this particular time. It is true that I saw the Senator from Arkansas and the Speaker together, and, as far as we were able, we entered into a fast agreement to that effect.

It is true that I stood on the floor here and asserted that I had been informed that the moratorium measure would pass the House probably on Saturday, would get to the Senate probably on Monday and be referred to the Finance Committee, and, in view of the agreement to adjourn, nothing could be done with it by the committee before the time for adjournment.

It is true that at that time I served notice that, so far as I had any influence in the Senate, we would take the recess in accordance with the agreement which was made. The Senator from Idaho made a speech on the subject. Various others were of the same opinion he entertained.

Mr. BORAH. Mr. President, the Senator from Indiana will do me the justice to say that the first time the subject was mentioned to me, before I had made any speech in regard to it, I objected to the suggestion of a holiday recess.

Mr. WATSON. The Senator did; the Senator is right about that. I talked to him about it, as I talked to a great many Senators on this side. The Senator from Idaho was one of the very few who objected to it. He stated that he did not believe we should have so long a recess. There was so much talk about the matter that I had a poll made on this side to-day. The poll showed a majority in favor of a shorter recess. I then made the statement that if the other side of the Senate took the same view of it, as a matter of course, we would be bound by the vote and take the shorter recess.

I know that nothing will be done in the Senate if we remain here during the days when those in favor of the longer recess propose that we shall be in recess. That is absolutely certain. We have no bills before us on which we can act. Committees are now at work. The Committee on Banking and Currency, which has before it some of the most important measures that will come before the Senate at this session, is now at work. The Committee on Finance will continue to work, and, as far as I am concerned, speaking from a long experience on this side, I am just as well satisfied as I am that I am addressing the Senate, that nothing of consequence will be accomplished if we stay here.

Therefore, like the Senator from Arkansas, I intend, so far as I have any influence here, to stand by the original agreement, and I know of no reason why we should not take the longer recess.

TAXPAYER PERIL IN MORATORIUM—ARTICLE BY SENATOR SHIPSTEAD

[Mr. McKELLAR asked and obtained leave to have printed in the RECORD an article by the senior Senator from

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Minnesota [Mr. SHIPSTEAD] appearing in the Minneapolis Star on the 8th of October, which appears in the Appendix.]

ELECTION OF A PRESIDENT PRO TEMPORE

The VICE PRESIDENT. The question is on the election of a President pro tempore. The Secretary will call the roll. The legislative clerk proceeded to call the roll.

Mr. BULOW (when his name was called). I have a pair with the senior Senator from South Dakota [Mr. NORBECK], who is necessarily absent. I therefore withhold my vote. If I were permitted to vote, I would vote for Senator PITTMAN. If the Senator from South Dakota were present, he would vote for Senator MOSES.

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. If he were present, he would vote for Senator PITTMAN. If I were permitted to vote, I would vote for Senator MOSES.

Mr. MOSES (when his name was called). Announcing as heretofore my pair with the senior Senator from Nevada [Mr. PITTMAN], I withhold my vote.

Mr. FESS (when Mr. PATTERSON's name was called). On this vote the Senator from Missouri [Mr. PATTERSON] is paired with the Senator from New York [Mr. WAGNER].

Mr. PITTMAN (when his name was called). Reannouncing my pair with the Senator from New Hampshire [Mr. MOSES], I withhold my vote.

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS], who is detained at home on account of illness. I transfer that pair to the senior Senator from Colorado [Mr. WATERMAN] and vote for Senator MOSES.

Mr. THOMAS of Oklahoma (when his name was called). I have a pair with the senior Senator from Illinois [Mr. GLENN]. I transfer that pair to the senior Senator from Arizona [Mr. ASHURST] and vote for Senator PITTMAN.

Mr. WATSON (when his name was called). I have a pair on this vote with the senior Senator from South Carolina [Mr. SMITH]. If he were present, he would vote for Senator PITTMAN, and if I were at liberty to vote I would vote for Senator MOSES. I withhold my vote.

The roll call was concluded.

Mr. FESS. On this vote the Senator from Rhode Island [Mr. METCALF] is paired with the Senator from Maryland [Mr. TYDINGS]. If those Senators were present, the Senator from Rhode Island [Mr. METCALF] would vote for Senator MOSES and the Senator from Maryland [Mr. TYDINGS] would vote for Senator PITTMAN.

Mr. JONES (after having voted for Senator HEBERT). I note that the senior Senator from Virginia [Mr. SWANSON] has not voted. I promised to take care of him with a pair if he were not here. Therefore I will have to withdraw my vote. If present, the Senator from Virginia [Mr. SWANSON] would vote for Senator PITTMAN, and if I were permitted to vote I let my vote stand for Senator HEBERT.

Mr. LOGAN (after having voted for Senator PITTMAN). I have a pair with the junior Senator from Pennsylvania [Mr. DAVIS]. I was not aware that he was not present when I voted and therefore withdraw my vote.

The result was announced as follows:

FOR SENATOR PITTMAN—36

Bailey	Connally	Harris	Morrison
Bankhead	Coolidge	Hawes	Neely
Barkley	Copeland	Hayden	Robinson, Ark.
Black	Costigan	Hull	Sheppard
Bratton	Dill	Kendrick	Thomas, Okla.
Broussard	Fletcher	King	Trammell
Bulkley	George	Lewis	Walsh, Mass.
Byrnes	Glass	McGill	Walsh, Mont.
Caraway	Gore	McKellar	Wheeler

FOR SENATOR MOSES—26

Austin	Goldsborough	Keyes	Steiwer
Barbour	Hale	Oddie	Townsend
Bingham	Hastings	Reed	Vandenberg
Carey	Hatfield	Robinson, Ind.	Walcott
Dale	Hebert	Schall	White
Dickinson	Johnson	Shortridge	
Fess	Kean	Smoot	

FOR SENATOR HEBERT—9

Blaine	Capper	Frazier	Norris
Borah	Cutting	Howell	Nye
Brookhart			

FOR SENATOR VANDENBERG—3

Couzens	La Follette	Thomas, Idaho
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FOR SENATOR KEYES—1

Shipstead

The VICE PRESIDENT. On this ballot 36 votes were cast for Senator PITTMAN, 26 for Senator MOSES, 9 for Senator HEBERT, 3 for Senator VANDENBERG, and 1 for Senator KEYES. The total number of votes cast was 75; necessary for a choice, 38. No Senator having received a majority of the votes cast, there is no election. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BULOW (when his name was called). Making the same announcement as before, I withhold my vote.

Mr. JONES (when his name was called). Repeating the announcement of my pair with the senior Senator from Virginia [Mr. SWANSON], I withhold my vote. If that Senator were present, he would vote for Senator PITTMAN, and if at liberty to vote I would vote for Senator VANDENBERG.

Mr. LOGAN (when his name was called). I again announce my pair with the junior Senator from Pennsylvania [Mr. DAVIS], who is absent. If I were permitted to vote, I would vote for Senator PITTMAN. I withhold my vote.

Mr. McNARY (when his name was called). Making the same announcement as before, I withhold my vote.

Mr. MOSES (when his name was called). With the same announcement as on the previous vote, I withhold my vote.

Mr. ROBINSON of Indiana (when his name was called). Making the same announcement as on the preceding ballot, I vote for Senator MOSES.

Mr. THOMAS of Oklahoma (when his name was called). Making the same statement as on the previous vote, I am at liberty to vote, and vote for Senator PITTMAN.

Mr. WATSON (when his name was called). Making the same announcement as on the previous ballot, I withhold my vote.

The roll call was concluded.

Mr. WALSH of Montana. My colleague the junior Senator from Montana [Mr. WHEELER] is necessarily absent. He has a pair with the Senator from Nebraska [Mr. HOWELL]. If my colleague [Mr. WHEELER] were present, he would vote for Senator PITTMAN. If the Senator from Nebraska [Mr. HOWELL] were present, he would vote for Senator VANDENBERG.

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is necessarily absent on official business. He is paired with the senior Senator from Illinois [Mr. GLENN]. If present, my colleague would vote for Senator PITTMAN. If present, the Senator from Illinois [Mr. GLENN] would vote for Senator MOSES.

Mr. FESS. I wish to announce the following pairs:

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS];

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER]; and

The Senator from Nebraska [Mr. HOWELL] with the Senator from Montana [Mr. WHEELER].

The result was announced as follows:

FOR SENATOR PITTMAN—35

Bailey	Connally	Harris	Morrison
Bankhead	Coolidge	Hawes	Neely
Barkley	Copeland	Hayden	Robinson, Ark.
Black	Costigan	Hull	Sheppard
Bratton	Dill	Kendrick	Thomas, Okla.
Broussard	Fletcher	King	Trammell
Bulkley	George	Lewis	Walsh, Mass.
Byrnes	Glass	McGill	Walsh, Mont.
Caraway	Gore	McKellar	

FOR SENATOR MOSES—26

Austin	Goldsborough	Keyes	Steiwer
Barbour	Hale	Oddie	Townsend
Bingham	Hastings	Reed	Vandenberg
Carey	Hatfield	Robinson, Ind.	Walcott
Dale	Hebert	Schall	White
Dickinson	Johnson	Shortridge	
Fess	Kean	Smoot	



## FOR SENATOR VANDENBERG—12

Blaine	Capper	Frazier	Nye
Borah	Couzens	La Follette	Shipstead
Brookhart	Cutting	Norris	Thomas, Idaho

The VICE PRESIDENT. On this ballot 35 votes were cast for Senator PITTMAN, 26 for Senator MOSES, and 12 for Senator VANDENBERG. The total number of votes cast was 73; necessary for a choice, 37. No Senator having received a majority of the votes cast, there is no election.

## EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. All messages transmitting nominations have been laid down. Are there any reports of committees?

## EXECUTIVE REPORTS OF COMMITTEES

Mr. JOHNSON, from the Committee on Commerce, reported favorably the nomination of Rear Admiral Frederick C. Billard, of the District of Columbia, to be commandant in the Coast Guard of the United States, with the rank of rear admiral, for a period of four years, to rank as such from January 11, 1932 (reappointment), and also the nominations of sundry officers in the Coast Guard and Coast and Geodetic Survey, which were placed on the Executive Calendar.

Mr. COPELAND, from the Committee on Commerce, reported favorably the nomination of Frederick M. Feiker, of New York, now holding recess appointment, to the position of director Bureau of Foreign and Domestic Commerce, which was placed on the Executive Calendar.

Mr. McNARY, from the Committee on Commerce, reported favorably the nomination of Jefferson Myers, of Oregon, to be a member of the United States Shipping Board for a term of six years from June 9, 1931, to which office he was appointed during the last recess of the Senate (reappointment), which was placed on the Executive Calendar.

Mr. HALE, from the Committee on Naval Affairs, reported favorably the nominations of several general officers in the Marine Corps, which were placed on the Executive Calendar.

Mr. HULL, from the Committee on Banking and Currency, reported favorably the nomination of George R. James, of Tennessee, to be a member of the Federal Reserve Board for a term of 10 years from April 28, 1931, to which office he was appointed during the last recess of the Senate (reappointment), which was placed on the Executive Calendar.

Mr. GLASS, from the Committee on Banking and Currency, reported favorably the following nominations, which were placed on the Executive Calendar:

Wayland W. Magee, of Nebraska, to be a member of the Federal Reserve Board for the unexpired term of 10 years from January 25, 1923, to which office he was appointed during the last recess of the Senate, vice Edward H. Cunningham;

Horace Paul Bestor, of Missouri, to be a member of the Federal Farm Loan Board, for a term of eight years expiring August 6, 1939 (reappointment); and

James B. Madison, of Charleston, W. Va., to be a member of the Federal Farm Loan Board for the unexpired term of eight years expiring August 6, 1938, in place of Floyd R. Harrison, resigned.

The VICE PRESIDENT. If there be no further reports of committees the calendar is in order.

## STATE DEPARTMENT

The Chief Clerk read the nomination of William R. Castle, jr., of the District of Columbia, to be Undersecretary of State.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harvey H. Bundy, of Massachusetts, to be Assistant Secretary of State.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Green H. Hackworth, of Kentucky, to be legal adviser, State Department.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Frederick W. B. Coleman, of Minnesota, to be envoy extraordinary and minister plenipotentiary to Denmark.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of H. F. Arthur Schoenfeld, of the District of Columbia, to be envoy extraordinary and minister plenipotentiary to the Dominican Republic.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Robert P. Skinner, of Ohio, to be envoy extraordinary and minister plenipotentiary to Estonia, Latvia, and Lithuania.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Charles B. Curtis, of New York, to be envoy extraordinary and minister plenipotentiary to El Salvador.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Alexander K. Sloan, of Pennsylvania, to be charge d'affaires to Iraq.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## GENERAL ACCOUNTING OFFICE

The Chief Clerk read the nomination of Richard N. Elliott, of Indiana, to be Assistant Comptroller General.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## INTERNAL REVENUE BUREAU

The Chief Clerk read the nomination of Ralph E. Smith, of Wisconsin, to be Assistant to the Commissioner of Internal Revenue.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk proceeded to read sundry nominations of Foreign Service officers, unclassified, vice consuls of career, and secretaries in the Diplomatic Service.

Mr. BORAH. Mr. President, I suggest that the nominations under this heading may be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

## BUREAU OF INTERNAL REVENUE

The Chief Clerk read the nomination of Gregory T. Van Meter to be collector of internal revenue, district of Illinois.

Mr. LEWIS. Mr. President, I am requested by my colleague [Mr. GLENN], who has been called away, to move the confirmation of Mr. Van Meter. I join in the motion.

The VICE PRESIDENT. The question is on the motion of the Senator from Illinois that the nomination be confirmed.

The motion was agreed to.

The Chief Clerk read the nomination of Gilbert T. Sugden to be collector of internal revenue, twenty-eighth district of New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Hal H. Clements, of Tennessee, to be collector of internal revenue, district of Tennessee.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Vernon E. Johnson to be collector of internal revenue, district of West Virginia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## CUSTOMS SERVICE COLLECTORS AND PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations of Customs Service collectors and officers of the Public Health Service.

Mr. REED. I ask unanimous consent that the nominations of Customs Service collectors and of Public Health Service officers may be considered en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and, without objection, the nominations are confirmed en bloc. That completes the calendar.

## ADJOURNMENT

Mr. McNARY. As in legislative session, I move that the Senate adjourn, the adjournment being until to-morrow at 12 o'clock noon.

The motion was agreed to; and, as in legislative session (at 4 o'clock and 25 minutes p. m.), the Senate adjourned until to-morrow, Friday, December 18, 1931, at 12 o'clock meridian.

## NOMINATIONS

*Executive nominations received by the Senate December 17, 1931*

## MEMBERS OF THE INTERSTATE COMMERCE COMMISSION

The following-named persons to be Interstate Commerce Commissioners for the terms expiring December 31, 1938 (reappointments):

Balthaser H. Meyer, of Wisconsin.

William E. Lee, of Idaho.

## CONSUL GENERAL

W. Roderick Dorsey, of Maryland, now a Foreign Service officer of class 3 and a consul, to be a consul general of the United States of America.

## APPOINTMENT IN THE REGULAR ARMY

First Lieut. Peter Christian Schroder, Chaplain Reserve, to be chaplain with rank of first lieutenant, Regular Army, from July 21, 1931.

## PROMOTIONS IN THE REGULAR ARMY

*To be lieutenant colonel*

Maj. Rodney Hamilton Smith, Coast Artillery Corps, from December 12, 1931.

*To be majors*

Capt. Ivan Sanders Curtis, Infantry, from December 10, 1931.

Capt. Aln Dudley Warnock, Infantry, from December 12, 1931.

*To be captains*

First Lieut. Harvey James Golightly, Infantry, from December 10, 1931.

First Lieut. Charles Hale Dowman, Air Corps, from December 12, 1931.

*To be first lieutenants*

Second Lieut. Edward Lowe Rhodes, Cavalry, from December 10, 1931.

Second Lieut. Richard Keith McMaster, Field Artillery, from December 12, 1931.

Second Lieut. Charles Dutton McNerney, Infantry, from December 13, 1931.

## MEDICAL CORPS

*To be captain*

First Lieut. Robert Eugene Bitner, Medical Corps, from December 12, 1931.

## REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

## GENERAL OFFICER

*To be brigadier general, reserve*

Brig. Gen. Henry Joseph Reilly, reserve, from December 23, 1931.

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## CONFIRMATIONS

*Executive nominations confirmed by the Senate December 17, 1931*

## UNDER SECRETARY OF STATE

William R. Castle, jr., to be Under Secretary of State.

## ASSISTANT SECRETARY OF STATE

Harvey H. Bundy to be Assistant Secretary of State.

## LEGAL ADVISER OF STATE DEPARTMENT

Green H. Hackworth to be legal adviser of State Department.

## ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY

Frederick W. B. Coleman to be envoy extraordinary and minister plenipotentiary to Denmark.

H. F. Arthur Schoenfeld to be envoy extraordinary and minister plenipotentiary to the Dominican Republic.

Robert P. Skinner to be envoy extraordinary and minister plenipotentiary to Estonia, Latvia, and Lithuania.

Charles B. Curtis to be envoy extraordinary and minister plenipotentiary to El Salvador.

## CHARGÉ D'AFFAIRES

Alexander K. Sloan to be chargé d'affaires to Iraq.

## FOREIGN SERVICE OFFICERS, UNCLASSIFIED, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE

Theodore C. Achilles.

William C. Affeld, jr.

John M. Allison.

Daniel V. Anderson.

Walworth Barbour.

Frank W. Barnes.

Jacob D. Beam.

Reginald Bragonier, jr.

Carl Breuer.

Reginald S. Carey.

Mulford A. Colebrook.

Bernard C. Connelly.

Charles A. Cooper.

Merritt N. Cootes.

Earl T. Crain.

William M. Cramp.

John Davies, jr.

Andrew E. Donovan, 2d.

Walter C. Dowling.

Donald C. Dunham.

Howard Elting, jr.

Frederick E. Farnsworth.

Douglas Flood.

T. Muldrup Forsyth.

R. Allen Haden.

James E. Henderson.

L. Randolph Higgs.

Walter W. Hoffmann.

Theodore J. Hohenthal.

Douglas James.

Fred W. Jandrey.

Douglas Jenkins, jr.

Stephen E. C. Kendrick.

Foy D. Kohler.

Kent Leavitt.

Henry P. Leverich.

E. Allan Lightner, jr.

Walter J. Linthicum.

Aubrey E. Lippincott.

Brockholst Livingston.

Raymond P. Ludden.

Robert Mills McClintock.

Robert C. McCloud.

Edward P. Maffitt.

Patrick Mallon.

Ernest de W. Mayer.

Gregor C. Merrill.

Reginald P. Mitchell.

Harold E. Montamat.

Walter W. Orebaugh.

Robert M. Ott.

John P. Palmer.

W. Leonard Parker.

Troy L. Perkins.

Norris Rediker.

Paul J. Reveley.

Wales W. Signor.

Francis L. Spalding.

Francis Bowden Stevens.

John F. Stone.

Orray Taft, jr.

Robert M. Taylor.

Tyler Thompson.

William Du B. Thorne.

William C. Trimble.

H. Bartlett Wells.

Milton K. Wells.

Eric C. Wendelin.

Robert F. Woodward.

## SECRETARIES IN THE DIPLOMATIC SERVICE

Homer M. Byington.

Paul C. Daniels.

Thomas H. Bevan.

Vinton Chapin.

Hiram Bingham, jr.

Carlos J. Warner.

Raymond A. Hare.

William M. Gwynn.

Alvin T. Rowe, jr.

Glenn A. Abbey.

Donald F. Bigelow.

James E. Brown, jr.

Randolph Harrison, jr.

Ralph Miller.

Miss Frances E. Willis.

## CONSUL GENERALS

Maxwell K. Moorhead.

James B. Stewart.

Monnett B. Davis.

Lowell C. Pinkerton.

Walter A. Adams.

Samuel W. Honaker.

## CONSUL GENERAL AND A SECRETARY IN THE DIPLOMATIC SERVICE

William H. Beck.

## FOREIGN SERVICE OFFICERS

## CLASS 1

Wesley Frost.  
George A. Gordon.  
Alexander C. Kirk.

## CLASS 2

Charles L. Hoover.  
Williamson S. Howell.  
Irving N. Linnell.Frank P. Lockhart.  
Jay Pierrepont Moffat.  
Robert M. Scotten.

## CLASS 3

Monnett B. Davis.  
John Farr Simmons.  
George Wadsworth.

## CLASS 4

Maynard B. Barnes.  
Reed Paige Clark.  
Nathaniel P. Davis.John G. Erhardt.  
Charles Bridgham Hosmer.  
H. Earle Russell.

## CLASS 5

Willard L. Beaulac.  
Richard P. Butrick.  
James Hugh Keeley, jr.  
Renwick S. McNiece.  
Harold Shantz.George P. Shaw.  
Alexander K. Sloan.  
Samuel R. Thompson.  
Damon C. Woods.

## CLASS 6

J. Rives Childs.  
Charles H. Derry.  
Peter H. A. Flood.  
Richard Ford.  
C. Porter Kuykendall.  
Charles W. Lewis, jr.  
Erik W. Magnuson.James E. McKenna.  
Alfred T. Nester.  
William W. Schott.  
Robert Lacy Smyth.  
Harry L. Troutman.  
Rollin R. Winslow.  
Leslie E. Woods.

## CLASS 7

George Alexander Arm-  
strong.  
John W. Bailey, jr.  
Ellis O. Briggs.  
Culver B. Chamberlain.  
Allan Dawson.  
Samuel G. Ebling.  
Harry L. Franklin.  
Franklin C. Gowen.  
George J. Haering.  
Eugene M. Hinkle.Benjamin M. Hulley.  
David McK. Key.  
William F. Nason.  
J. Hall Paxton.  
John S. Richardson, jr.  
Arthur F. Tower.  
John Carter Vincent.  
Richard R. Willey.  
David Williamson.  
Stanley Woodward.

## ASSISTANT COMPTROLLER GENERAL

Richard N. Elliott to be Assistant Comptroller General.

## ASSISTANT TO THE COMMISSIONER OF INTERNAL REVENUE

Ralph E. Smith to be assistant to the Commissioner of Internal Revenue.

## COLLECTORS OF INTERNAL REVENUE

Gregory T. Van Meter to be collector district of Illinois.  
Gilbert T. Sugden to be collector twenty-eighth district of New York.

Hal H. Clements to be collector district of Tennessee.

Vernon E. Johnson to be collector district of West Virginia.

## CUSTOM SERVICE COLLECTORS

James W. McDonald to be collector, customs collection district No. 26, Nogales, Ariz.

Howard W. Seager to be collector, customs collection district No. 27, Los Angeles, Calif.

Fred B. Thomas to be collector, customs collection district No. 2, St. Albans, Vt.

Lawrence B. Towers to be comptroller, customs collection district No. 13, Baltimore, Md.

## PUBLIC HEALTH SERVICE

Ralph Gregg to be passed assistant surgeon.

## To be assistant surgeons

Benton Oliver Lewis. Russell Thomas.  
Charles T. Meacham, jr. Victor H. Vogel.  
Henry L. Wollenweber. Edwin W. Blatter.  
David C. Elliott. Thurman H. Rose.  
Louis Schwartz to be senior surgeon.

## To be passed assistant dental surgeons

Pendleton Jett Slaughter.  
Hubert Hays Martin.  
George Parcher to be senior surgeon.

## To be assistant sanitary engineers

Vincent B. Lamoureux.  
James H. Le Van.  
Robert W. Kehr.

## To be assistant surgeons

Llewellyn L. Ashburn. Robert K. Maddock.  
R. C. Arnold. Jack G. Mearns.  
Frederick P. Burow. Robert H. Onstott.  
Roy E. Butler. Donald W. Patrick.  
Austin Vance Deibert. Joseph G. Pasternack.  
Robert H. Flinn. Leslie McC. Smith.  
Alfred B. Geyer. George G. Van Dyke.  
Leland J. Hanchett. Waldemar J. A. Wickman.  
Marion K. King. John L. Wilson.  
Thomas B. McKneely. William G. Workman.

## To be passed assistant surgeons

Walter L. Barnes. Kenneth R. Nelson.  
Joseph O. Dean. William F. Ossenfort.  
Gilbert L. Dunnahoo. William C. Plumlee.  
Oswald F. Hedley. Maurice A. Roe.  
Vane M. Hoge. Ivan W. Steele.  
Walter P. Griffey. Frank F. Thweatt, jr.  
Paul A. Neal. Lee C. Watkins.

## To be assistant dental surgeons

John M. Francis. Robert A. Scroggie.  
James S. Miller. Kenneth J. White.  
Thomas L. Hagan. Donald H. Soper.  
William P. Roberts, jr. Clinton L. Stalker.  
Charles B. Galt. Leland E. Weyer.  
John A. Hammer. Leonard R. Etzenhouser.

## To be medical directors

Marshall C. Guthrie.  
Hugh de Valin.Robert H. Heterick to be senior surgeon.  
David Cooper to be passed assistant dental surgeon.  
Eddie M. Gordon, jr., to be passed assistant surgeon.

## WITHDRAWAL

Executive nomination withdrawn from the Senate December 17, 1931

First Lieut. Peter Christian Schroeder, Chaplain Reserve, to be chaplain with the rank of first lieutenant, Regular Army, from July 21, 1931.

## HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 17, 1931

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our God and our Father, source of all our longings and aspirations, kindle on the altars of our hearts a sacred flame which shall burn brighter and brighter until the dawn of eternal day. Look backward, conceal our faults, and point the way. Make us like men who are on their way to work with their bright and morning faces. Enable us to make Thy law the rule of our lives, for every commandment is a benediction and a beatitude. Bless us with that peace which keeps the heart and lifts the soul. While this outward life is checkered with light and shadow, with mingled wrong and struggling right, keep us wise in that which is good and innocent in that which is evil. O God, despite it all, lead the way, lead the way. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

### VETERANS' ADMINISTRATION

Mr. BYRNS. Mr. Speaker, by direction of the Committee on Appropriations I offer House Joint Resolution 141, to provide additional appropriations for the Veterans' Administration for the fiscal year ending June 30, 1932, and ask unanimous consent for its immediate consideration.

The SPEAKER. The gentleman from Tennessee offers a resolution, which the Clerk will report.

The Clerk read as follows:

Resolved, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Veterans' Administration for the fiscal year ending June 30, 1932, namely:

Adjusted-service certificate fund: For an additional amount necessary under the World War adjusted compensation act (U. S. C., title 38, secs. 591-683; Supp. V, title 38, secs. 612-682), to provide for the payment of the face value of each adjusted-service certificate in 20 years from its date or on the prior death of the veteran, and to make loans to veterans and repayments to banks, in accordance with section 507 of the act, as amended, \$200,000,000, to remain available until expended.

Adjusted-service and dependent pay: For an additional amount for "Adjusted-service and dependent pay, Veterans' Bureau," and for reimbursing the adjusted-service certificate fund the amount of disbursements heretofore made therefrom and properly chargeable to the appropriation "Adjusted-service and dependent pay," \$3,925,000, to remain available until expended.

Hospital and domiciliary facilities and services: For carrying out the provisions of the acts entitled "An act to authorize an appropriation to provide additional hospital, domiciliary, and outpatient dispensary facilities for persons entitled to hospitalization under the World War veterans' act, 1924, as amended, and for other purposes," approved March 4, 1931 (46 Stat. 1550); "An act to establish a branch home of the National Home for Disabled Volunteer Soldiers in one of the Northwest Pacific States," approved July 3, 1930 (46 Stat. 852); and "An act to provide for the establishment of a branch home of the National Home for Disabled Volunteer Soldiers in one of the Southern States," approved June 21, 1930 (46 Stat. 792), the Administrator of Veterans' Affairs is hereby authorized, subject to the limitations imposed by such acts, to enter into contracts and incur obligations in the full amount of the authorizations provided therein.

Mr. BLANTON. Mr. Speaker, I make the point of order that unanimous consent is not necessary. This being a deficiency, it is privileged under the rule.

The SPEAKER. The gentleman from Texas makes the point of order that this resolution is privileged. The Chair will call the attention of the gentleman from Texas to clause 45 of Rule XI, which provides:

The following-named committee shall have leave to report at any time on the matters herein stated, namely: \* \* \*

The Committee on Appropriations, the general appropriation bills.

The Chair does not think this is a general appropriation bill. It is merely a bill making a special appropriation for a specific proposition. Therefore the Chair overrules the point of order.

Mr. SNELL. Will the gentleman yield for a question?

Mr. BYRNS. Yes.

Mr. SNELL. Do I understand that this is a unanimous report from the committee?

Mr. BYRNS. I think it was practically unanimous. I know of no serious objection. The members of the committee are here and they can speak for themselves.

Mr. SNELL. I do not see the gentleman from Indiana [Mr. Wood] present.

Mr. BYRNS. There is no objection to this resolution, and it had the unanimous approval of the committee.

The SPEAKER. The gentleman from Tennessee asks unanimous consent for the present consideration of the resolution. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

Mr. STAFFORD. Will the gentleman from Tennessee, in a brief way, make some explanation of the principal item carried in the resolution?

Mr. BYRNS. Mr. Speaker, \$200,000,000 of this amount is necessary to complete the sum needed to continue the 50 per cent loans to veterans between now and June 30, 1932. Up to this time these loans have been made from what is known as the reserve fund. You will recall that under the adjusted compensation act a certain sum was set apart each year for a reserve fund, to be invested by the Secretary of the Treasury in proper securities. Up to this time there has been loaned to veterans \$1,228,000,000, if my memory serves me correctly. This was paid from the reserve fund and the insurance fund. Seventy-two and seven-tenths per cent of the veterans have applied for this loan. The Director of Veterans' Affairs, General Hines, states that this estimate is based upon the anticipated application of 29 per cent of the remainder who have not up to this time applied. There is now in this fund, which is the only fund available for these loans, about \$23,000,000. He states that by January 1 the payments on account of loans will amount to twenty-six million and some odd thousand dollars, and, therefore, unless this resolution is passed before the adjournment of Congress it will be necessary to delay the favorable consideration of applications for loans to be made to these veterans.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. LAGUARDIA. I understand the gentleman to say that of all the outstanding certificates 70 per cent have applied for loans.

Mr. BYRNS. Seventy-two and seven-tenths per cent is my recollection.



Mr. LAGUARDIA. That consumed all of the reserve fund that we were building up from year to year, did it not?

Mr. BYRNS. With the exception of the \$23,000,000.

Mr. LAGUARDIA. Two hundred million dollars is provided in anticipation of further loans.

Mr. BYRNS. To take care of applications already on file and applications that will be made between now and June 30 next.

Mr. LAGUARDIA. And that is on the estimated number of new applications that are anticipated; is that correct?

Mr. BYRNS. Yes.

Mr. LAGUARDIA. The \$200,000,000 will come out of direct appropriations. That is true, is it not?

Mr. BYRNS. That is true.

Mr. LAGUARDIA. So that if additional payments are to be made on certificates there is no reserve fund to take care of them and the payments must be made out of direct appropriations?

Mr. BYRNS. Yes.

Mr. STAFFORD. Will the gentleman inform the House as to what the estimate of the Director of the Veterans' Bureau is as to the total amount that will be required for payments under the 50 per cent law?

Mr. BYRNS. One billion seven hundred and ten million dollars.

Mr. STAFFORD. Will the gentleman also advise the House as to how much we have appropriated in addition to the \$700,000,000 that was in the sinking fund?

Mr. BYRNS. I just stated to the House that up to date there has been loaned \$1,228,000,000. This sum will be added to that, and then there will be carried, if the estimate of the director is concurred in, an additional sum of \$150,000,000 in the regular bill for the next fiscal year. How much more will be needed, of course, no one can say.

Mr. COOPER of Tennessee. Will the gentleman yield a moment there?

Mr. BYRNS. Yes.

Mr. COOPER of Tennessee. There has doubtless come to the attention of other Members, as it has to me, that certain dependency claims have been allowed, but the Veterans' Bureau advises that there is no fund from which to pay such claims. Is it contemplated that this measure shall also provide ample funds for the payment of those claims?

Mr. BYRNS. Yes; that is represented by the item of \$3,925,000 for adjusted service and dependent pay.

Mr. LAGUARDIA. That is a different account.

Mr. BYRNS. Yes.

Mr. LAGUARDIA. Can the gentleman tell us the total amount that has been paid up to date under the cash bonus law?

Mr. BYRNS. I am sorry I have not that at hand.

Mr. PATMAN. \$1,260,000,000. That is in the President's message.

Mr. BYRNS. There has been the impression throughout the country that the passage of this 50 per cent loan law, if I may call it that, has either created or contributed to the deficit. There is nothing to that statement because up to this time the payments have been made out of the reserve fund.

Mr. LAGUARDIA. Except the \$200,000,000 now to be appropriated.

Mr. BYRNS. Yes; as the gentleman from New York suggests, this \$200,000,000 is the first direct appropriation that has been made for that purpose.

Mr. PATTERSON. If the gentleman will yield, that is the question I intended to ask. Irrespective of all this talk about the deficit on account of the soldiers' adjusted-service certificate, this \$200,000,000 is the first deficit appropriation really passed on that account. And this amount of \$1,260,000,000 also includes death claims paid to dependents of soldiers as well as the loans themselves.

Mr. BYRNS. Yes.

The appropriation of \$3,925,000, which is carried in this joint resolution, represents the amount that will be necessary to take care of the adjusted service and dependent pay item, as has been stated by my colleague from Tennessee [Mr. COOPER].

There is another provision in this resolution which authorizes the director to enter into contracts for hospitals under an authorization which now amounts to a balance of about \$17,000,000. This is under the authorization law which carried \$25,000,000 and which was passed at the last session. No money is required at this time, but the director states that unless this authority is given to enter into these contracts there will be, of course, quite a delay in beginning the construction of these hospitals which are needed in various sections of the country.

Mr. LAGUARDIA. Does that carry with it a commitment of appropriations for the contracts which he will enter into?

Mr. BYRNS. Yes; within the limitations of the authorization.

Mr. LAGUARDIA. Which is \$25,000,000.

Mr. BYRNS. \$25,000,000.

Mr. LAGUARDIA. And the estimated amount is \$17,000,000?

Mr. BYRNS. Yes.

[Here the gavel fell.]

Mr. KETCHAM. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KETCHAM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. KETCHAM. Will the gentleman be kind enough to repeat, for emphasis, and utterly apart from any other question so that it may be seen clearly by everyone, the statement he made a moment ago with reference to the fact that the amount of money that has thus far been paid on the adjusted-service certificates can in no sense be considered a part of the deficit about which we see so much in the papers throughout the country?

Mr. BYRNS. The gentleman has already emphasized it more strongly than I could.

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. BYRNS. Yes.

Mr. BANKHEAD. I have two or three cases in my files, and I understand some of my colleagues have similar cases covering this proposition. A number of ex-service men, for one reason or another, waited a number of years before filing their claim for the \$60 bonus to which they were entitled upon their discharge, and the sum that was formerly appropriated for that purpose has been used up. Does this particular bill contain any provision for the payment of claims of that nature?

Mr. BYRNS. It does. The item of \$3,925,000 includes such claims.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

#### EMPLOYMENT SERVICE, DEPARTMENT OF LABOR

Mr. BYRNS. Mr. Speaker, by direction of the Committee on Appropriations, I offer the following joint resolution, making an additional appropriation for the Employment Service, Department of Labor, for the fiscal year ending June 30, 1932, and ask for its immediate consideration.

The SPEAKER. The gentleman from Tennessee offers a resolution, which the Clerk will report.

The Clerk read as follows:

*Resolved, etc.,* That the sum of \$120,000 is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1932, for the Employment Service, Department of Labor, including the same objects and purposes specified under this head in the act making appropriations for the Department of Labor for the fiscal year 1932: *Provided*, That no part of this appropriation shall be expended for the establishment or maintenance of any employment office for which suitable space is not furnished free of rent by State, county, or local authority, or by individuals or organizations.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. OLIVER of Alabama. Mr. Speaker, reserving the right to object, will the gentleman give me time to offer an amendment?

Mr. BYRNS. Certainly; if we get consent for consideration of the resolution.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

Mr. BYRNS. Mr. Speaker, if I may make a brief statement, the estimate submitted for this particular purpose was \$168,000. The Secretary of Labor stated that it was proposed under this appropriation to establish 54 additional employment offices in various parts of the country. He also stated that he was unable at the time the hearing was held to say just where these offices would be located.

This estimate contemplated the employment of three persons in each of the 54 offices. He stated their salaries would be \$2,000 for the manager, \$1,800 for the assistant manager, and \$1,440 for a clerk-stenographer. Twelve thousand dollars was for rent.

He said that the applications from cities over the country for the establishment of these offices were sufficient to almost overwhelm him. Your committee felt that if these cities and towns are so desirous of this additional aid in looking after the unemployed in their section, they could certainly afford to furnish quarters for the necessary employees.

So the committee has cut out the \$12,000 estimated for rent and has put in a provision requiring that offices shall not be established under this appropriation in any part of the country unless quarters are provided.

The estimate was based on six months. Your committee felt that it would be impossible for this resolution to be passed at this time and for the Secretary of Labor to establish these offices by January 1. It was felt an appropriation based on five and a half months would be adequate.

The committee further felt that there was really no necessity for three employees in each office. In 60 of the 96 that have been established, for which \$883,000 was appropriated, they have only two employees.

The appropriation recommended will enable the Labor Department to establish the 54 offices as planned with two persons in one-half of the offices. The Secretary can use his judgment as to whether the remaining offices shall have three persons. The committee doubts the necessity but did not wish to take away from him all discretion in a matter of this great importance.

Mr. SNELL. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. SNELL. What was the information that came to the committee on the effect of the offices already set up?

Mr. BYRNS. The Secretary stated that nearly 800,000 persons had been employed as a result of the work of the department under the appropriation made by Congress. He further stated that 600,000 had been placed in cooperation with the States that have similar offices, making in all some 1,400,000.

Mr. SNELL. In the mind of the committee these have produced good results?

Mr. BYRNS. I think it has been of considerable benefit. I question whether it is possible to say exactly to what extent it has relieved unemployment or that any of this number would not have been employed if the appropriation had not been made. I can see that if the managers are active, if they get out on the street and do not sit in their offices in swivel chairs, but get in direct contact with the employers, it will do a great deal of good.

Mr. SNELL. This is another step to do something toward helping unemployment?

Mr. BYRNS. That is the idea, to be helpful, if we can.

Mr. OLIVER of Alabama. Now, will the gentleman yield to me to offer an amendment?

Mr. BYRNS. I yield to the gentleman.

Mr. OLIVER of Alabama. Mr. Speaker, I offer the following amendment:

The Clerk read as follows:

Insert at the end of the resolution the following:  
"Provided further, That after January 1, 1932, no salary shall be paid in any field employment office under the Employment Service at a rate in excess of \$2,000 per annum."

Mr. LAGUARDIA. Mr. Speaker, I would like to speak in opposition to the amendment.

Mr. BYRNS. I yield to the gentleman three minutes.

Mr. LAGUARDIA. Mr. Speaker, I desire to call the attention of the House to something parallel and in point. In the State of New York we have an employment agency law which requires that the employment agent shall return the fee if employment is not found. That law has been on the statute books for some time, and only a few days ago the United States Court for the Southern District of New York, again interfering in matters in which it has no business, said that the State law was unconstitutional. I refer to the case of National Employment Exchange against Commissioner of Licenses of the City of New York, in the District Court of the Southern District of New York.

You are all familiar with the employment agency, and the only way you can protect the helpless who go to these agencies is to provide for a return of the fee if employment is not found.

A so-called philanthropic employment agency, with a long list of directors and sponsors, most distinguished citizens, if you please, unintentionally on the part of these gentlemen, I am sure, but viciously on the part of some one, simply did the dirty work for a lot of mean, contemptible, and unscrupulous private employment agencies which thrive on the exploitation of needy and poor unemployed people. Without the protection of our State law the applicants are at the mercy of these private agencies. If the United States court is going to interfere in such necessary protective State laws, it is a good thing that we can at least provide something here—where the unemployed may appeal to a free employment service. We have a city employment service in New York City, as I suppose other cities have, but I protest now against the decision of the United States court defeating beneficial State law where no real constitutional question was involved. What is wrong, morally or legally, to a State law which requires the return of a fee if the employment agency renders no service?

We must have Federal and State employment agencies to drive these unfair, exploiting, private agencies out of business.

Mr. CLARKE of New York. I don't understand that there is any fee in connection with this service.

Mr. LAGUARDIA. No. I am pointing out what happened in the State of New York.

Mr. BYRNS. As the gentleman from New York [Mr. LAGUARDIA] says, the chief advantage of this particular appropriation is the fact that it will cut out these employment offices which in many instances have been robbing applicants for employment.

I yield three minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, ladies and gentlemen of the House, I favor this appropriation. I am in favor of anything that will help relieve the great wave of unemployment that has swept over our country, but at this time I would like to direct the attention of the House to the fact that at the last session of Congress we passed a series of bills introduced by the junior Senator from New York, Senator WAGNER. One of those bills provided for setting up employment offices throughout the country. After deliberation and consideration it was vetoed by the President. A great storm of public criticism swept upon him for this action. To counteract this criticism the Secretary of Labor established offices throughout the country to endeavor to accomplish what was purposed to be accomplished by the passage of the bills introduced by the junior Senator from the State of New York. If I recall correctly, the Secretary stated that there was no need for such legislation, and perhaps he was instrumental in advising the President to veto the Wagner bill. On the other hand, he started out himself to set up offices to accomplish the very purpose sought to be accomplished by the bill passed in the last Congress. This has cost to date about \$1,000,000. I am in favor of this appropriation, however, but I want the RECORD to show the action taken by the Secretary of Labor after he advised the President to veto the Wagner bill.

Mr. BYRNS. May I say this in connection with the amendment offered by the gentleman from Alabama [Mr. OLIVER]. The committee considered the question of the limitation of salaries. I would be perfectly willing to agree to an amendment of that kind offered with reference to this appropriation. There are 96 offices which have been already created. There are State directors in every State, I assume, and their salaries are more than \$2,000, certainly in some States. I feel that possibly it would not be wise, without further consideration, to undertake to limit the salaries in the amount named in the appropriation, with reference to the 96 offices already established.

Mr. ARENTZ. I think the gentleman is correct in that, and I agree with him.

Mr. BYRNS. I hope the gentleman will limit it to the present appropriation.

Mr. OLIVER of Alabama. Would the gentleman be willing to except from the amendment, then, the State directors?

Mr. BYRNS. I would not object so much to that, unless it should interfere with the services in some of these larger cities, like New York.

Mr. OLIVER of Alabama. Then I move to amend by adding the words "Provided further, That this limitation shall not apply to the salary of any State director."

The SPEAKER. The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Add at the end of the amendment the words "Provided further, That this limitation shall not apply to the salary of any State director."

Mr. LEAVITT. Mr. Speaker, I rise in opposition to the amendment, in order to ask the gentleman from Alabama the reason for fixing the figure at \$2,000.

Mr. OLIVER of Alabama. For the reason that the Secretary stated to the committee that in the employment of men to manage the 54 offices which he contemplates establishing with this additional appropriation he would not fix any salary in excess of \$2,000. There are some offices now being maintained where the duties are exactly the same, yet the salaries are in excess of \$2,000, and it was my thought that the compensation should at least be uniform.

Mr. LEAVITT. My reason for opposing this amendment is this: During the war I organized and directed 13 such employment offices in the State of Montana. A number of them were full-time offices. Some of them were cooperative offices. During the period of the war the employment service, which I had the honor to direct in that State, did a work in its value beyond the mere placing of men. It was the Government of the United States operating upon the ground for the benefit of a man out of a job to help him get the one thing he needed to make a living. Before that he saw the Government of the United States operating for the protection of the business men, for the protection of all sorts of other classes of people, but so far as he was concerned he was at the mercy of the private employment agency, that, as has well been stated here to-day, often exploited him. The United States Employment Service was built up during the war, and let me say here that one of the greatest mistakes the Government of the United States has ever made was when it contracted that service and made it less in extent. It should have been maintained and carried on so that we would not be now in the position of trying to reestablish its efficiency in time of emergency. In addition to merely placing these men it showed them their Government operating to help them solve their problems, and it had a direct and beneficial effect upon them. You are now asking men to take charge of offices with such a service to perform at a salary which, in my judgment, is going to be too low in many of the larger cities, or in cities of any reasonable size, to enable us to carry out the full purpose of the establishment of employment offices.

While on my feet let me say this with regard to the veto of the Wagner bill. I voted for the Wagner bill and was very much in favor of it. The reasons for the veto, however, should be put into the Record along with the criticism of the gentleman from New York [Mr. BOYLAN]. It was vetoed because it was shown, according to the statement of

the President, that it would abolish the existing service, but that certain cooperation was required under that bill from the States before the new law could operate, and that the State legislatures of many States would not be in session in time to meet the requirement and take care of this emergency. The present employment service was already in effect and had authorization of law behind it for immediate expansion.

That was the only reason, as I recall, that was given. I think that should go in the Record, along with the criticism.

Mr. OLIVER of Alabama. I do not think the statement made by the gentleman from Montana [Mr. LEAVITT] is very relevant to the pending amendment. This amendment was prepared by me because I was familiar with the appropriation for such purposes carried for years for the Department of Labor, and which I think has been very wisely administered. That appropriation was for \$385,000, and the Labor Department reported to our committee that with the appropriation of \$385,000 in the gentleman's State and other States they had been able to find seasonal employment for approximately 1,600,000 men. The field agents under that appropriation were paid reasonable salaries; few, if any, salaries exceeded \$2,000. The agent in Doctor SUMMERS's home city of Yakima, Wash., was paid only \$1,500.

Mr. LEAVITT. He is worth a great deal more.

Mr. OLIVER of Alabama. Grant that he is a very fine man, he is satisfied. So when the Secretary of Labor came before the committee and asked for an additional \$168,000, so that he might establish more offices, he was asked, "How much will you fix as the salary for the man in charge of the office?" He said, "Under no circumstances will I fix it in excess of \$2,000."

This amendment simply limits it to what the Secretary himself said would be required at offices he plans to establish under the appropriation you are now considering. Why should a different pay schedule apply to those employed under the appropriation carried in the regular appropriation bill for the present fiscal year?

Mr. LEAVITT. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. LEAVITT. Is it not true, however, that in connection with this bill, unless I misunderstand it, we are undertaking to establish a number of new employment offices, and that necessarily to meet their purposes they must be established in cities of considerable size, so that they will not only be State directors who are required but often local directors of great importance?

Mr. OLIVER of Alabama. If the gentleman had been listening to the chairman of the committee, he would have heard him say in reply to the question, "What is the limit of salaries the Secretary stated he would fix under this appropriation of \$168,000?"

Mr. LEAVITT. I heard that statement.

Mr. OLIVER of Alabama. The Secretary stated the highest salary would be \$2,000, the next \$1,800, and the next \$1,400.

Mr. LEAVITT. That is only for this emergency?

Mr. OLIVER of Alabama. Yes. This amendment seeks to limit the amount to \$2,000.

Mr. LEAVITT. When we carry the Wagner bill into effect we are going to require a quality of men that can not always be secured for \$2,000 a year. Why establish a dangerous precedent by law, fixing the figure now so low that it will then be insufficient and will be used in the future as a precedent? We have the statement of the Secretary that he will not now employ anybody at more than \$2,000, so we need no such law. I do not like to see any such precedent established.

Mr. TAYLOR of Colorado. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. TAYLOR of Colorado. Is it not true that the 96 offices which we now have are all in the main places of the country? These 54 new offices are to be in the smaller points, and it was brought to our attention that it was not necessary to pay high salaries for these additional offices that would go in the more unimportant places. The 96 offices now are in the main cities.

The SPEAKER. The question is on agreeing to the amendment to the amendment offered by the gentleman from Alabama [Mr. OLIVER].

The amendment was agreed to.

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the joint resolution was passed was laid on the table.

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent to be permitted to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAGUARDIA. Mr. Speaker, the country has been advised that there will be a revision of the tax law during the present session of Congress. In all likelihood the Committee on Ways and Means will proceed, within a very few days, to consider a new tax bill. I believe it is necessary that the word should go out that any citizen or group of citizens who have any suggestions to make will be heard, but at the same time I believe the country should be warned against certain exploiters who are attempting to collect money under the promise that they can influence tax legislation. [Applause.]

I want to refer particularly, and without any reservation, to one J. A. Arnold, who styled himself "The American Taxpayers' League."

The activities of this gentleman were looked into and the Members of this House can find all details in the hearings of the Senate lobby investigation—Senate Resolution 20, Seventy-first Congress, first session—in parts 2 and 3 of the printed hearings. For the moment it will suffice to read just a part of the report of the Senate committee:—

Among the organizations into whose activities your committee inquired were the Southern Tariff Association, the American Taxpayers' League, the National Council of State Legislators, and kindred reputed organizations, all aliases, under which one J. A. Arnold operates, ostensibly to influence congressional legislation, but, in fact, for the purpose of making a living for himself and a small group associated with him.

The American Taxpayers' League has neither constitution, by-laws, nor membership except contributors. Under its name Arnold collected for the years ended August 31, 1927, 1928, and 1929, the sums of \$217,000, \$246,000, \$240,000, and \$158,000, making a total for the four years of \$860,000.

Now, it is well that the American people should know, and business men particularly, that if they are solicited for funds by this group or by Mr. Arnold it is simply a waste of money. Only recently Mr. Arnold has established connections with the National Broadcasting Co., and they have invited very distinguished gentlemen to appear under their auspices. There is no criticism of the distinguished citizens who have made speeches on the subjects in which they are interested, but I want to warn those distinguished gentlemen that their names may be exploited by these collectors of contributions, and their good and respected names used to give respectability to this discredited group and this discredited gentleman, Mr. Arnold.

Let me point out to the broadcasting companies that they, in all likelihood, will be taxed, and properly so, and it is hardly fair to use the public domain to engender propaganda against an inevitable tax on radio, which must sooner or later be imposed by Congress.

Mr. CLARKE of New York. May I ask the gentleman a question?

Mr. LAGUARDIA. Certainly.

Mr. CLARKE of New York. Does not the gentleman think that every one of these organized groups, which are now parading and advertising their influence and seeking to impose their narrowness and constricted views upon the people of the United States, should be legislated out of the Capital?

Mr. LAGUARDIA. Absolutely; but in the meantime let the word go out that this American Taxpayers' League and Mr. Arnold are discredited, and let everybody be on their guard when they are asked for contributions.

Mr. BURTNESS. Will the gentleman yield.

Mr. LAGUARDIA. Yes.

Mr. BURTNESS. Can the gentleman tell us what representations he now makes with reference to the type of taxes he is going to save to the contributors?

Mr. LAGUARDIA. I suppose he is guaranteeing prospective contributors against the inheritance tax, against the gift tax, and against a tax on radio. Taxes are always unpleasant, and it is the easiest thing in the world to make an appeal for contributions and say, "We have certain connections and we are going to fix you up. So contribute to us." I am sure the House will agree with me that there is no need of any citizen or business to pay money to these discredited lobbyists. [Applause.]

[Here the gavel fell.]

MESSAGE FROM THE PRESIDENT—MUSCLE SHOALS

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Military Affairs:

*To the Congress of the United States:*

In my message to the Senate on March 3 last, returning without my approval Senate Joint Resolution No. 49, I suggested that as the solution of the Muscle Shoals problem was a matter of major interest to the States of Tennessee and Alabama, these States should set up a commission of their own representatives to cooperate with a like commission appointed by me to consider the disposition of the Muscle Shoals project.

On March 20, 1931, the Legislature of the State of Tennessee passed the accompanying resolution, which was approved by the governor on March 23, 1931. Under this resolution Mr. Mercer Reynolds, Mr. Vance J. Alexander, and Mr. W. A. Caldwell were appointed members of the commission. As Mr. Alexander and Mr. Caldwell were unable to serve, the governor subsequently appointed Mr. J. F. Porter and Mr. R. L. Moore to fill the vacancies. On June 30, 1931, the Assembly of Alabama passed the accompanying resolution, which was approved by the governor on June 30, 1931, and under it Mr. S. F. Hobbs, Mr. Will Howard Smith, and Mr. W. F. McFarland were appointed members of the commission. On July 14, 1931, I appointed Col. Harley B. Ferguson, Corps of Engineers, United States Army; Col. Joseph I. McMullen, office of the Judge Advocate General, United States Army; and Mr. Edward A. O'Neal, president of the American Farm Bureau Federation, as members of the commission.

Hearings were held, and after long consideration of the subject the commission rendered to me a unanimous report, which I now transmit for the consideration of the Congress. In addition, the commission has prepared a brochure showing the evidence on which its recommendations are based. This I also transmit for the information of the Congress.

HERBERT HOOVER.

THE WHITE HOUSE, December 17, 1931.

EXTENSION OF REMARKS

Mr. MORTON D. HULL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record. By way of explanation of the request I refer to a paragraph in a speech made by the gentleman from Pennsylvania [Mr. McFADDEN] two days ago, in which he quoted from Abraham Lincoln. The quotation in question was so remote from any subject matter of interest at that time that I questioned the authenticity of it. I asked the reference bureau to look up the speeches of Mr. Lincoln and see whether they could find that quotation in any speech. I have a letter from the director of the Legislative Reference Service of the Library of Congress saying in effect that there is no record of any such speech, and also inclosing a photostat copy of a paragraph from the New York Tribune of October 3, 1896, in which Mr. Nicolay, the biographer of Lincoln, declared the quotation in question was an unblushing forgery. For the sake of the Record, I ask unanimous consent that this letter from the director of the Legislative Reference Service and the photostat copy of the Tribune clipping in question



The SPEAKER. The question is on agreeing to the amendment to the amendment offered by the gentleman from Alabama [Mr. OLIVER].

The amendment to the amendment was agreed to.

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the joint resolution was passed was laid on the table.

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent to be permitted to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAGUARDIA. Mr. Speaker, the country has been advised that there will be a revision of the tax law during the present session of Congress. In all likelihood the Committee on Ways and Means will proceed, within a very few days, to consider a new tax bill. I believe it is necessary that the word should go out that any citizen or group of citizens who have any suggestions to make will be heard, but at the same time I believe the country should be warned against certain exploiters who are attempting to collect money under the promise that they can influence tax legislation. [Applause.]

I want to refer particularly, and without any reservation, to one J. A. Arnold, who styled himself "The American Taxpayers' League."

The activities of this gentleman were looked into and the Members of this House can find all details in the hearings of the Senate lobby investigation—Senate Resolution 20, Seventy-first Congress, first session—in parts 2 and 3 of the printed hearings. For the moment it will suffice to read just a part of the report of the Senate committee:

Among the organizations into whose activities your committee inquired were the Southern Tariff Association, the American Taxpayers' League, the National Council of State Legislators, and kindred reputed organizations, all aliases, under which one J. A. Arnold operates, ostensibly to influence congressional legislation, but, in fact, for the purpose of making a living for himself and a small group associated with him.

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Now, it is well that the American people should know, and business men particularly, that if they are solicited for funds by this group or by Mr. Arnold it is simply a waste of money. Only recently Mr. Arnold has established connections with the National Broadcasting Co., and they have invited very distinguished gentlemen to appear under their auspices. There is no criticism of the distinguished citizens who have made speeches on the subjects in which they are interested, but I want to warn those distinguished gentlemen that their names may be exploited by these collectors of cash, and their good and respected names used to give a false ability to this discredited group and this discredited man, Mr. Arnold.

Let me point out to the broadcasting companies that in all likelihood, will be taxed, and properly so, and it is hardly fair to use the public domain for the purpose of spreading a propaganda against an inevitable tax on radio, which may or later be imposed by Congress.

Mr. CLARKE of New York. May I ask a question?

Mr. LAGUARDIA. Certainly, yes.

Mr. CLARKE of New York. Does the gentleman mean that every one of these organizations is engaged in parading and advertising their narrowness and constriction of the United States, should be lessened?

Mr. LAGUARDIA. Absolutely. I want the word go out that this American Taxpayers' League, Mr. Arnold are discredited, and they should be guarded when they are asked for contributions.

Mr. BURTNESS. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BURTNESS. Can the gentleman tell me what suggestions he now makes with reference to the tax on the gift he is going to save to the contributors?

Mr. LAGUARDIA. I suppose he is suggesting contributions against the inheritance tax, the gift tax, and against a tax on radio. Taxes are not pleasant, and it is the easiest thing in the world to appeal for contributions and say, "We have a need of money and we are going to fix you up." So I construe out the I am sure the House will agree with me about inserted in need of any citizen or business to have his statement the credited lobbyists. [Applause.]

[Here the gavel fell.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES: The amount that would be re-

The SPEAKER laid before the House and before us now a message from the President of the United States, read, and, with the accompanying letter, the Committee on Military Affairs.

To the Congress of the United States: The burden upon

In my message to the Senate on March 1, 1931, I suggested that as the solution of the problem of the average rates, and, of the gentleman's estimate and Alabama, these States show average of years? As the their own representatives to the total returns vary by sion appointed by me to make details of persons of large Muscle Shoals project.

On March 20, 1931, the average tax bill? nessee passed the amendment and not go into the details as proved by the government. The average of the average resolution Mr. M. A. C. Smith, and that is about all you and Mr. W. A. C. Smith, in the case of the District. Of commission. As Mr. A. C. Smith, in the case of the District, in able to serve, the committee know, definitely, and I do not sup- Porter and Mr. R. A. C. Smith, in the case of the District, in 30, 1931; the Assembly in a certain period, but they can con- ing resolution, which was a serious charge can be militated Smith, and Mr. W. A. C. Smith, in the case of the District, in of the commission, in comparison with inheritance tax rates ley B. Ferguson, Commissioner of the State of New York, Col. Joseph T. McWhorter, and the average. eral, United States Army, and the average. dent of the American people, much below the average. of the commission, amendment was withdrawn.

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent to subject to the bill to enable the gentleman from Wisconsin to offer an amendment to clarify the

Is there objection to the request of the gentleman from Wisconsin?

Mr. LAGUARDIA. My attention has been called to the gentleman from Wisconsin [Mr. C. A. C. Smith], provision, No. 10, where the bill states that any property having a value in excess of \$5,000,000 shall be at the rate of 15 per cent. This shall be a tax upon the entire property at 15 per cent. So that will be changed to comply with the committee through the amendment offer.

Mr. LAGUARDIA. The gentleman from Wisconsin offers an amendment which the Clerk will report.

On page 8, beginning with line 17, the remainder of the paragraph shall be at the rate of 15 per cent."

The question is on the amendment.

I move that the committee report the House with the recommendation that the bill be agreed to and that the

may be extended in the RECORD in connection with my remarks.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to follows:

LIBRARY OF CONGRESS,  
LEGISLATIVE REFERENCE SERVICE,  
Washington, December 17, 1931.

Hon. MORTON D. HULL,  
House of Representatives, Washington, D. C.

DEAR SIR: The quotation from Lincoln printed on page 561, CONGRESSIONAL RECORD, December 15, 1931, has been referred to us several times but no one has ever been able to find it in any edition of Lincoln's works. I inclose a photostat of a brief article which appeared in the New York Tribune for Saturday, October 3, 1896, page 1, column 4. It seems to settle the question.

William E. Barton, in his Life of Lincoln, volume 2, page 367, has the following to say about this quotation:

"A consideration of the attitude of Abraham Lincoln toward labor requires us to remember, first of all, that he lived and died before the present-day industrial system had come into existence. Several people who have wanted to quote him on labor have forgotten this, and have attributed to Lincoln statements which can not be found in his published works and which are the outgrowth of conditions which came into being after he was dead. For instance, a widely quoted statement concerning the threatened rise of great corporations is known to have originated with another man in 1873; but it is quoted as from the pen of Lincoln."

Very respectfully,

H. H. B. MEYER,  
Director Legislative Reference Service.

NEW YORK, SATURDAY, OCTOBER 3, 1896—LINCOLN NEVER SAID IT—  
A POPOCRATIC CAMPAIGN QUOTATION DENOUNCED AS A BALD FORGERY

CHICAGO, October 2.—Perry S. Heath of the Republican National Committee to-day received from John G. Nicolay, who was one of President Lincoln's private secretaries, a letter in which he declares "spurious" an alleged quotation from Lincoln now in general circulation as a Democratic campaign document. The quotation thus condemned is as follows:

"Mr. Lincoln said: 'As a result of the war, corporations have been enthroned and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people, until all wealth is aggregated in a few hands, and the Republic is destroyed. I feel at this moment more anxiety for the safety of my country than ever before; even in the midst of war. God grant that my suspicions may prove groundless.'"

Mr. Nicolay continues:

"This alleged quotation from Mr. Lincoln is a bald, unblushing forgery. The great President never said it or wrote it, and never said or wrote anything that by the utmost license could be distorted to resemble it."

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a radio speech by my colleague, Congressman KNUTSON, delivered night before last over WJSV.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

#### ORDER OF BUSINESS

Mr. RAINEY. Mr. Speaker, for the information of the Members, I desire to say that the hearings on the moratorium were closed at 12 o'clock to-day, and the committee is now considering the resolution. They expect to bring it up to-morrow, and they are going to try to get a vote on it by Saturday night. It is doubtful whether they can do that, and if they do not get a vote by Saturday night it will be considered Monday and Tuesday. I make that statement because I have heretofore stated that nothing controversial will be taken up Monday or Tuesday, unless it is that. If we do not get a vote by Saturday night, the consideration of the moratorium will be continued during Monday and Tuesday. After we do get a vote on the moratorium there will be nothing controversial before the holidays.

Mr. SNELL. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. SNELL. Does not the gentleman think it would be a good idea to hold the House in late session to-morrow night and Saturday night for the purpose of having a vote on the moratorium this week?

Mr. RAINEY. I think that would be all right, and I would be very glad to see that done.

Mr. SNELL. We have had two weeks of discussion in connection with this proposition, and it seems to me we ought to be able to finish it at least by Saturday night.

Mr. RAINEY. I would be glad to accomplish that if it is possible to do so.

Mr. HASTINGS. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. HASTINGS. Has there been any discussion in the committee as to how much time will be given to the consideration of the moratorium bill or resolution?

Mr. RAINEY. No; there has been no discussion, except the committee desires to limit it as much as they possibly can, yet giving an opportunity to Members who ought to be heard and desire to be heard on the proposition.

Mr. HASTINGS. I know there has been a good deal of discussion in the House for the last few days about this subject, but I would like to have 10 or 15 minutes myself when the bill comes up for consideration.

Mr. RAINEY. In order to obtain that time the gentleman will have to see the gentleman from Mississippi [Mr. COLLIER], the chairman of the committee.

Mr. HASTINGS. I wanted to be assured that there would be some time given for consideration. Of course, I intended to apply to the chairman of the committee.

Mr. RAINEY. There will be time given.

#### LEAVE OF ABSENCE

Mr. CHIPERFIELD. Mr. Speaker, I desire to ask leave of absence for my colleague [Mr. HALL of Illinois] on account of illness. He will probably be detained two or three days on account of his condition.

The SPEAKER. Without objection, the leave of absence will be granted.

There was no objection.

The SPEAKER. The Chair would like to make this suggestion to gentlemen who in the future desire to provide leaves of absence for their colleagues. There is provided at the Sergeant at Arms desk, on the Speaker's right, blanks for just such purposes. The Chair would suggest that Members avail themselves of that means of securing leaves of absence. These blanks, when filled out and given to the Clerk, will be laid before the House prior to adjournment for the approval of the House. The Chair thinks that by this means much of the time of the House will be saved.

Mr. CHIPERFIELD. Mr. Speaker, I will conform to that practice in the future.

#### ESTATE TAX FOR THE DISTRICT OF COLUMBIA

Mr. MAPES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5822) to provide a tax on the transfers of estates of decedents.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5822), with Mr. McMILLAN in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

SEC. 7. The value of the net estate subject to the tax herein provided shall be determined by deducting from the value of the gross estate the following exemptions:

(1) The value of all property transferred to or for the use of the United States, to any State or Territory or to any political subdivision thereof, to the District of Columbia, to any public institution to be used strictly for public purposes, or to any corporation organized under the laws of the District of Columbia solely for religious, charitable, or educational purposes: *Provided*, That the property transferred is to be used exclusively for one or more of such purposes and all property transferred to banks or trust companies as trustees and trusts used exclusively for public, religious, charitable, or educational purposes: *Provided, further*, That no deduction shall be allowed on account of property transferred to any such corporation or trust, if any officer, member, shareholder, or employee thereof shall receive or may be lawfully entitled to receive any pecuniary profit from the operation thereof, except reasonable compensation for services in effecting one or more of such purposes or as proper beneficiaries of a strictly charitable purpose, or if the organization of any such association, or trust, for any of the foregoing or above purposes be a guise or a

pretense for indirectly making for it, or for any of its officers, members, shareholders, or employees, any other pecuniary profit, or if it be not in good faith organized and conducted for one or more of such purposes.

(2) Debts of the decedent which constitute lawful claims against his estate.

(3) Taxes on real property within the District of Columbia which were a lien at the date of death, also taxes on personal property of the decedent which constituted a personal obligation during his lifetime or were a lien at the time of death.

(4) Death taxes paid or payable to other jurisdictions on intangible personal property and United States estate taxes, also special assessment taxes which at the time of the decedent's death were a lien on real property located within the District of Columbia.

(5) Funeral expenses and an amount not in excess of \$500 actually expended or to be expended for a memorial, also commissions of executors, administrators, or trustees actually allowed or paid, but where a bequest or devise is made in lieu of commission, deductions shall be allowed for only so much as would have been allowed and paid in the absence of the devise or bequest. There shall also be deducted the expenses of the administration, including reasonable attorney's fees.

(6) In the case of the estate of a nonresident only such portion of the aforesaid deductions shall be allowed as is properly chargeable against the property included in the gross estate, and the exemptions shall be apportioned in the ratio that the value of the property included in the gross estate bears to the value of all of the property that would have been included in the gross estate if the decedent had been a resident of the District of Columbia.

(7) No deduction from the value of the property included in the gross estate shall be allowed on account of any claim against the estate arising from a contract made by the decedent and payable by its terms at or after death, unless such claim is supported, in whole or in part, by a valuable consideration, in which event so much thereof as is the equivalent in money value of the money value of the consideration received by the decedent shall be allowed as a deduction, but the remaining portion shall not be: *Provided, however,* That any claim created by an antenuptial agreement and made payable by will shall be allowed as a deduction.

(8) There shall also be deducted from the gross estate property having a clear market value of \$20,000 transferred to the widow of the decedent, property having a clear market value of \$10,000 transferred to the husband of the decedent, property having a clear market value of \$5,000 transferred to a brother or sister of the decedent, property having a clear market value of \$2,000 transferred to any lineal ancestor of the decedent, legally adopted child, stepchild, any child to whom the decedent for not less than 10 years prior to death stood in the mutually acknowledged relationship of parent: *Provided,* That such relationship began at or before the child's fifteenth birthday and was continuous for at least 10 years thereafter, and the lineal descendant of an adopted child, stepchild, or mutually acknowledged child. In case no property passes to any beneficiaries enumerated in this section, or, if the aggregate of the value of the property passing to such beneficiaries is less than \$1,000 there shall be exempted property having a value of \$1,000.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment: Line 11, page 7, insert after the word "decedent" the following: "Any child born in lawful wedlock."

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. STAFFORD: Line 11, page 7, after the word "decedent," insert "any child born in lawful wedlock."

Mr. STAFFORD. Mr. Chairman, a close reading of the provision shows that no provision has been made for any child born in lawful wedlock. Provision is made for deductions to any legally adopted child or any child of a morganatic marriage; provision is also made for deductions to the widow, the husband, brother, sister, or parents. Certainly there should be some provision made for a child born in lawful wedlock.

As I read this provision, I take it that it applies to those instances where the decedent has bequeathed or devised property to these respective classes, and where they have then they shall be entitled to a deduction of the various amounts as here stated. So the purpose of my amendment is to include children as well as other designated relatives.

Mr. FREAR. Mr. Chairman, after talking with the chairman of the special committee, the gentleman from Michigan [Mr. MAPES], we will accept the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 8. The tax hereby imposed upon the value of the net estate shall be at the following rates:

(1) Not in excess of \$50,000, 1 per cent.

(2) Over \$50,000 and not exceeding \$100,000, 2 per cent.

(3) Over \$100,000 and not exceeding \$200,000, 3 per cent.

(4) Over \$200,000 and not exceeding \$300,000, 4 per cent.

(5) Over \$300,000 and not exceeding \$500,000, 5 per cent.

(6) Over \$500,000 and not exceeding \$750,000, 6 per cent.

(7) Over \$750,000 and not exceeding \$1,250,000, 7 per cent.

(8) Over \$1,250,000 and not exceeding \$2,000,000, 8 per cent.

(9) Over \$2,000,000 and not exceeding \$5,000,000, 10 per cent.

(10) On all net estates having a value in excess of \$5,000,000 the tax imposed shall be at the rate of 15 per cent.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word, and I do so for the purpose of having inserted in the RECORD at this point the amounts it is estimated the District will receive from these various classes of estates.

Mr. FREAR. The gentleman desires to have that appear in the RECORD? Of course, we have the total amount that is estimated of \$750,000 in addition to what would be received on intangibles now, but we have not before us now the figures with respect to the various items.

Mr. STAFFORD. So no one can claim that Congress is attempting by these rates to levy any undue burden upon the denizens of the District who happen to own property and die here?

Mr. FREAR. This is lower than the average rates, and, of course, lower than the Federal rates.

Mr. STAFFORD. Does the basis of the gentleman's estimate of \$750,000 cover merely the average of years? As the gentleman knows, in Wisconsin the total returns vary by reason of occasions of haphazard deaths of persons of large wealth. What is the basis of the estimate that only \$750,000 will be received by this inheritance tax bill?

Mr. FREAR. Of course, I can not go into the details as to what brought that out, but the average of the average city can be determined fairly well, and that is about all you have to go by, particularly in the case of the District. Of course, we know what the intangibles have been taxed in the past, but we do not know definitely, and I do not suppose such figures could be given with respect to receipts from decedents during a certain period, but they can consider the average in other cities of comparable size.

Mr. STAFFORD. No serious charge can be militated against the committee or the Congress that these rates are outlandishly high in comparison with inheritance tax rates in force in other States.

Mr. FREAR. They are below the average.

Mr. STAFFORD. Much below?

Mr. FREAR. I believe much below the average.

The pro forma amendment was withdrawn.

The Clerk concluded the reading of the bill.

Mr. MAPES. Mr. Chairman, I ask unanimous consent to return to page 8 of the bill to enable the gentleman from Wisconsin [Mr. FREAR] to offer an amendment to clarify the language.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. FREAR. Mr. Chairman, my attention has been called by my colleague the gentleman from Wisconsin [Mr. BOILEAU] to the last provision, No. 10, where the bill states that on all net estates having a value in excess of \$5,000,000 the tax imposed shall be at the rate of 15 per cent. This might be construed to be a tax upon the entire property at the rate of 15 per cent. So that will be changed to comply with the purpose of the committee through the amendment that I shall now offer.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. FREAR: On page 8, beginning with line 17, after the figure "(10)," strike out the remainder of the paragraph and insert in lieu thereof "over \$5,000,000, 15 per cent."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. MAPES. Mr. Chairman, I move that the committee rise and report the bill back to the House with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. McMILLAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 5822) to provide a tax on the transfers of estates of decedents, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. MAPES. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MAPES, a motion to reconsider the vote whereby the bill was passed was laid on the table.

#### GASOLINE TAX FOR THE DISTRICT OF COLUMBIA

Mr. MAPES. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5823) to increase the motor-vehicle fuel tax in the District of Columbia, and to provide for the better administration thereof.

And pending that, I ask unanimous consent that general debate on the bill be limited to 30 minutes, 15 minutes to be controlled by the gentleman from Tennessee, Judge Davis, and 15 minutes by myself.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The motion of Mr. MAPES was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. McMILLAN in the chair.

The Clerk read the title to the bill.

Mr. MAPES. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to dispense with the first reading of the bill. Is there objection?

There was no objection.

Mr. MAPES. Mr. Chairman, this bill was reported by the gentleman from Tennessee [Mr. Davis], and I yield to him to make an explanation of the bill.

Mr. DAVIS. Mr. Chairman, I yield 10 minutes to myself. The bill under consideration increases the tax on gasoline in the District of Columbia from 2 to 4 cents per gallon.

The tax on gasoline is one of the fairest taxes we have, and just about as popular as any form of taxation can be.

It is a comparatively new tax. In 1919 the State of Oregon developed this new form of State tax and imposed a tax of 1 cent a gallon on gasoline. It proved to be popular from the beginning. Other States rapidly adopted this form of taxation, and now all the States of the Union impose a tax on gasoline, ranging from 2 cents to 7 cents per gallon.

The present average of this tax in all the States is somewhat over 4 cents a gallon. For eight years the District of Columbia has imposed a tax of 2 cents a gallon on gasoline.

To give you some idea of the tax in adjoining States, I will explain that the tax in Maryland is 4 cents, in North and South Carolina each, 6 cents; in Pennsylvania, 3 cents; in Virginia, 5 cents; and in West Virginia, 4 cents. So it will be seen that the motorists of the District of Columbia have been greatly favored in this respect. This tax is simple, inexpensive of administration, and easy of collection.

Mr. LARSEN. Will the gentleman yield?

Mr. DAVIS. Yes.

Mr. LARSEN. How much will this raise in the District of Columbia?

Mr. DAVIS. The additional tax will probably amount to \$1,500,000 per annum. The motorists generally and the automobile interests have accepted this as being a fair and proper

tax for the purpose of raising funds to construct and maintain our highways. This and the automobile license taxes have increased to such an extent that to-day the major portion of all of the highway and street expenses are paid in this manner. In that connection the auditor of the District of Columbia stated at the hearings of this select committee, that—

The amount of the gas-tax fund is not sufficient to take care of the entire street expense in the District of Columbia. About \$2,000,000 will be paid in 1932 from the gasoline-tax fund, but in addition to that about \$1,200,000 more will have to be provided out of the general revenues of the District of Columbia for maintenance and repairs to streets.

Consequently it will be seen that this additional tax is needed in the District of Columbia in order to properly maintain the highways of the District. The heavy motor vehicles do great damage to the streets and highways, requiring a constant repair bill, and, of course, that is particularly true in the cities. There is no reason why this expense should not be met here in large measure, as it is elsewhere, by a tax on gasoline.

Another feature which evidences the fairness of this tax is that the motorist pays the tax to the extent that he uses the highways. It is fairly proportioned. There is no reason, as this committee sees, why the District of Columbia and the citizens thereof and the motorists who visit the District of Columbia should not pay a tax somewhat comparable to the tax paid by the citizens of other sections of the country.

The city of Washington has a very large number of visitors constantly. Many of them come in their own automobiles, and as a matter of course the motorists who visit the National Capital generally purchase gasoline while in the city, and will in that manner contribute to the gasoline fund for the maintenance of the streets of the District, as they should. I do not see how there can be any objection to the passage of the bill. In that connection, I call attention to a statement by Mr. William P. Richards, who is the District tax assessor. In an article which appeared in yesterday's Evening Star, Mr. Richards is quoted as saying that the proposal to increase the gasoline tax to 4 cents per gallon has his approval, since it would raise more revenue for expenditure on streets, and in his opinion more revenue is needed. He also expressed approval of the substitution of the weight tax for the automobile license, to replace the present personal property tax, because the tax on vehicles should be proportioned to the damage they do to the streets; that refers to the bill which will follow this one. In this connection, with respect to a bill which the committee has already reported and which has passed the House, Mr. Richards makes a further statement that the income tax is better than one on intangible personal property, because it is easier on the poor and harder on the rich.

The bill under consideration is one of four bills which have the recommendation and unanimous support of the members of the select committee. We think it is an important bill, that it is eminently fair, and that it will result in raising a considerable amount of additional revenue in the District of Columbia. [Applause.]

Mr. MAPES. Mr. Chairman, I yield one minute to the gentleman from New York [Mr. MILLARD].

Mr. MILLARD. Mr. Chairman and ladies and gentlemen of the House, I thank the gentleman from Michigan for yielding me this minute. I want to read for your information a telegram I just received from the editor of the North American Review:

NEW YORK, December 16, 1931, 1 p. m.

CHARLES D. MILLARD,

House Office Building:

As your Westchester neighbor I desire to repeat following wire to McFADDEN: "Your absurd performance yesterday is only making yourself ridiculous. If your intention is to hurt the President you are taking the wrong course. You will find the country strongly backing the administration against such tactics as you are apparently following."

WALTER B. MAHONEY,

Editor North American Review.

Mr. MAPES. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HOGG].



## VOLUME OF TAXES

Mr. HOGG of Indiana. Mr. Chairman and members of the committee, I am for the enactment of the bill. In 1890 the total expenditures by all Government authorities, local, State, and National, in the United States was \$855,000,000. In 1903 it had increased to \$1,570,000,000. In 1913 it was \$2,919,000,000. In 1919 it had increased to \$7,465,000,000. In 1923 the total was \$10,265,000,000. There has been a steady increase since 1921 to more than \$12,000,000,000 in 1930.

In 1913 the total per capita tax, local, State, and National, was \$22.73. In 1923 it was \$91.90, and in 1930 it was approximately \$100 per person—man, woman, and child.

Except during war-time periods State and local taxes have overshadowed Federal collections. But Federal collections are amounting to far too great a total.

## FEDERAL TAX TREND

Our Federal Budget is more than fourteen times what it was in 1890 and seven times what it was in 1913. During the war the Federal Government collected more than 60 per cent of the total tax bill. Now, the United States Government collects only one-third of the total bill.

The program of Federal tax reduction beginning in 1921 reduced the 1922 collections to \$3,487,000,000. In 1924 another Federal tax revision bill was passed, further reducing rates and narrowing the subject of taxation, which brought the total down to \$2,966,000,000. In 1926 was still further downward revision. The result was an increase in the amount of taxes collected.

## DOLLAR'S VALUE VARIES

The taxes collected by governmental agencies are paid in dollars which have a varying purchasing power from year to year according to value fluctuation.

To show the real trend of tax collection over a period of years it is necessary to convert the annual value of taxation to the common standard of dollars of constant purchasing power. For comparison the value of the dollar in 1913 is used as a basis. Prices reached their highest level in 1919 and were twice the prices of 1913. Half of the increase in the volume of taxes to 1919 was due to the decrease in the value of the dollar.

Within the past year taxes have in reality been greatly increased for the reason that they were levied to be paid in dollars of less value than 1913 dollar value. A taxpayer to-day pays his tax with a dollar worth vastly more than it was two years ago.

To illustrate, although the per capita tax is approximately \$100 per person—that is, local, State, and National—in this country it is in effect greatly in excess of that amount, for the dollar to-day will buy vastly more than it would buy two years ago.

## DIRECT PROPERTY TAX

Two-thirds of local and State taxes throughout the Nation are raised by a direct property tax. In too many instances a citizen does not list all of his property and justifies his action on the theory that other citizens do not list their property. When a taxpayer fails to list his property he merely passes the burden on to others. If all taxables were listed the pro rata burden would be less. It has been proposed as a remedy for this unjust condition that a State might refuse to recognize the owner's title to property not listed for taxation. Titles to notes, debts, and property not listed would then lose the validity in any court of the State where the law required their listing for taxation.

## TAX-EXEMPT SECURITIES

Tax-exempt securities place a hard and unnecessary burden on other taxpayers. There are to-day more than \$30,000,000,000 of totally and partially tax-exempt securities in the United States. In other words, one-twelfth of the estimated valuation of the Nation is in tax-exempt securities. That is one-third more than the value of all railroads and railroad equipment in the United States. The claim is often made that tax exemption aids in sale of public securities. Such argument is wrong. The soundness and the certainty is sufficient to guarantee their sales.

Tax-free securities made a tax-exempt class of citizens which is repugnant to the American sense of justice.

## STATES' INDEBTEDNESS INCREASE

From 1923 to 1926 this bonded indebtedness of the States and their subdivisions increased from one billion to five and a quarter billion dollars. There has, of course, been a constant reduction of our national debt.

Since the war the tax bill of the Nation has been 10 per cent of the national income. In 1913 it was 6.4 per cent of the national income.

The total expenditures of local, State, and National Governments are classified in this fashion. Twenty-five and one-tenth per cent is spent for education, 24.1 per cent for national defense and the protection of person and property, 18.1 per cent for highways, 11.8 per cent for social welfare, and 10 per cent for general government.

## FEDERAL EXPENDITURES

Of the \$4,112,909,950 estimated Budget expenditures for 1933, \$2,814,769,200 will be for national defense, including payment to veterans, Army and Navy expenditures, and payment of principal and interest on national debt. The sum of \$983,000,000 is allocated alone to the relief of veterans. More than two-thirds of a billion dollars is allocated to the War and Navy Departments.

## TAX EVADERS

It is a sad comment on the history of civilization that at all times in every country there has been a class of people who is willing to appropriate unto itself advantages denied to other classes in the state. The civil governor of ancient times was not only the law in too many instances but above it as well. The feudal lord, the nobility of many nations, took for themselves rights which they denied others. And so to-day there are two classes of people who are willing to enjoy the advantages of local, State, and National Government, but who escape all responsibility which they can in its expense.

A privileged class has no place in a free government. Our privileged class in taxation consists of those who by tax laws and constitutional exemption are protected legally from paying a just contribution to the expenses of government. Second, those who avoid listing their property for taxation.

American sense of fair play has yet failed to reach a too large per cent of tax dodgers. If all citizens made their just contribution by listing their assets, then the burden would not fall so heavily on tax-honest citizens.

Tax-exempt securities often lead a subdivision of government into reckless spending. It is bad, not only for the taxpayers but for the State itself.

## COURSE TO PURSUE

States and their subdivisions should follow the course set by President Hoover in a substantial decrease in their respective budgets. The only road to lower taxes is decreased expenditures. In this the Federal Government should set the example by consolidation of Federal bureaus and commissions and a decrease in the number of Government employees in normal times.

## NO SALES TAX

In times like these a great body of American citizens are taxed beyond their capacity to pay. How can a man with a family of four contribute \$500, directly and indirectly, to the public purse? To put an additional general sales tax on him is unjust. It is merely shifting the burden from those able to pay to those who are not able to pay. Taxes should be levied on those able to bear the burden.

The ever-increasing tax burden is one of the potential dangers to the future stability of our Government. As the total tax bill approaches the total income of America we can clearly see how acute the problem is.

In conclusion, Mr. Chairman, I believe the best thought in taxation requires that a man pay for the specialized service which he receives from the Government. In other words, those who use the roads should pay for the roads. Therefore, I believe one of the most just taxes that can be levied at this or any other time is the tax called for in the bill under discussion. [Applause.]

Mr. DAVIS. I yield the remainder of my time to the gentleman from Ohio [Mr. UNDERWOOD].

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. UNDERWOOD. Mr. Chairman, ladies and gentlemen of the committee, we were advised a few minutes ago by the majority leader [Mr. RAINEY] that in all probability the joint resolution to authorize the postponement of amounts payable to the United States from foreign governments would come before the House for action to-morrow. Since I found it would be impossible for me to discuss the matter at that time, I have asked this time for that purpose. I did not intend to express myself on the moratorium except by my vote. I had hoped to support the President, if possible. I feel that this is a question of great importance to our Nation and to the entire world. The question before us is whether or not this Nation should postpone the payment of the debts that are due and owing to us from European countries. It is a controversial subject, and the matter should have been placed before Congress before the President attempted to pledge our Government to a postponement.

As a representative of the American people, I consider my first duty to them. I would not utter an unfriendly word toward, or intentionally do an injustice to, a friendly nation. I have tried not to be swept from my feet by sentimental arguments, but have endeavored to solve this question with a cool and deliberate judgment free from prejudice and sentiment. I spoke against and voted against the cancellation of our foreign debts in a former Congress. My views remain unchanged. Why should we grant a postponement to our foreign debtors and place the extra burden on the shoulders of our already too heavily taxed people? I will not ask debt favors for foreign countries that I would not ask for our own people also. Let us be fair. Give our own down-trodden people a debt holiday; grant them a postponement of taxes for a year's period, to catch up, so to speak. Millions of our citizens are unemployed. Multitudes of men, women, and little children are facing actual want, hunger, and starvation, willing to work and exchange their labor for a livelihood but unable to secure employment. They are appealing to us for relief. Their problem is our problem. Charity should begin at home.

As one of our distinguished Members from Pennsylvania [Mr. BECK] recently quoted, "the quality of mercy is strained." Let it fall, then, on the millions of the good people within the confines of our own borders.

These great problems concern not only the people of the debtor nations but all the people of the United States. After carefully listening to the debate and studying the questions involved, I honestly believe that President Hoover's proposal for a moratorium on war debts and reparations is unjust and unfair to the American taxpayer. This moratorium is closely interwoven with complete cancellation of our foreign debts. It is the entering wedge for complete cancellation.

Hoover's proposal for an international debt holiday means that no reparations are to be collected from Germany by her debtors; no payments to be made by Europe on war debts to the United States for a period of one year. The effect of this was a loan of approximately \$400,000,000 to Germany, as she would have to pay away that amount on reparations. According to the Treasury Department, this generosity on the part of Congress will cost us approximately \$252,000,000; that is, what is due us this year on our foreign debts. This is another donation to Europe. As a result of this, all Europe feels that we have committed ourselves to the ultimate cancellation of the war debts and the postwar loans which were lumped at the time of settlement. Our Government borrowed from our people the money which we loaned these European nations and we must repay this money, principal and interest. We must redeem our Liberty bonds which were issued for the money we borrowed to make these loans. The people of the United States will be taxed to make up the amounts lost by these gigantic gifts to our foreign debtors. In making these loans a contract of payment was made, and I believe that contract should be kept with the same faith that the law of this country de-

mands of individuals. Contracts between nations ought to be as strictly kept as between individuals. I am sure that the many patriotic business, professional, laboring men, and farmers in my district, who subscribed to the various Liberty loans until it hurt, will not be given a chance to settle their debts in accordance with their capacity to pay. Our farmers borrowed from our Federal Government under the farm loan act; they are expected to pay; many of them are now unable to pay. Their mortgages are being foreclosed and their homes sold, yet I do not hear one word about settling with the tax-burdened American people in accordance with their capacity to pay. Banks are closing back in Ohio. Economic conditions are very bad. We must restore confidence or no one can predict what will happen to our institutions and our Government.

You tell us the terrible consequences that will arise if we do not support the moratorium. I do not desire to be hard-hearted, cold, or indifferent to the troubles of other nations, nor do I think that we should be sentimental about them on the one hand and indifferent to our own troubles on the other. There are too many in this country pulling for foreign debtors, with our own country and its interests neglected and left in the rear. We find the European nations for themselves—first, last, and all the time—and properly so. May I ask again, Is this a fair proposition to the American taxpayer? Our people will think more about these things than this Congress has done.

I am going to vote against this moratorium, because I am not going to do the taxpayers of America an injustice, if I know it. With the dire distress of my country and district, especially in the farming, industrial, and mining communities, I do not believe that my people are any more able to pay their taxes than are the people of Europe to pay their taxes. The American people would welcome a moratorium. If we do not pay our debts in America, they grab all our property and sell it without asking any questions. Millions of people in this country now facing actual want, hunger, and starvation would be thankful to have payment of their debts postponed. We are reducing the burdens of the people of other nations but transferring it to the backs of our own people. I know this is the wrong policy.

Our debt to Europe has been paid. We sent 2,000,000 of our boys over there. We raised 4,500,000 men for the Army and Navy for the purpose of prosecuting the war. We furnished and financed virtually \$9,500,000,000 worth of supplies, not only for the Allied Governments, but we helped feed their civilian population also. We entered the great World War to vindicate America's honor; we saved the Allies from defeat; we went to their rescue in the hour of need. After the war ended and peace came we did not ask or claim any of the spoils of war. The war had cost us \$9,500,000,000. France took her \$5,000,000,000 of war reparations. Many of the European nations extended their domains and made rich territorial gains and wealth. At the close of the war those who were victorious took their share of the spoils. America did not ask for anything. America did not receive anything.

This moratorium is just another step in the scheme by international bankers for the ultimate cancellation of our foreign debts. Those who favored cancellation will attempt to reopen these settlements and make additional reductions in the future. This agitation for complete cancellation will be continued. If we are going to cancel these interallied debts in whole or in part, by moratorium or otherwise, why not say so openly and candidly. Why should we put over proposals like these without telling the American people what we are doing and their ultimate effect; why camouflage and conceal the real truth from the American taxpayer?

I do not believe that the taxpayers of my congressional district, if they fully understand this moratorium, are in any frame of mind to make additional donations to our foreign debtors. Our previous loans—short-term loans and war debts—now amount to approximately \$28,000,000,000. We have provided European nations with credit and money

until they have become dependent upon us. They have used part of these loans to enrich themselves by internal improvements and industrial expansion. They have borrowed in some cases more than they needed. They are building and maintaining extravagant armies, navies, and war equipment. They have been using our money and credit in making preparations for another war. Europe is not going to sink in despair. European nations are not going to starve. They are not going Bolshevik if we refuse to extend further financial help and credit at this time. They must learn to live within their means. They should stop building large armies, navies, and armaments, endangering the peace of the world.

We have the unemployment menace in our country. We have serious economic troubles. We have difficult problems confronting us in our domestic affairs. Is it not time that we stopped extending credit to other nations until we set our own house in order? I am fed up and tired of listening to the arguments of the international bankers for further reduction and cancellation of our foreign debts. The problem confronting Congress is a solution of our own ills. To these problems Congress should devote itself. I oppose recreating the World War Debt Commission. I oppose cancellation. I oppose this movement of the international bankers to postpone payment. I shall cast my vote against the moratorium. I protest with my voice and vote against this additional tax burden on the American people. I believe that every fair-minded voter and taxpayer of my country and district will approve my action. [Applause.]

The Clerk read as follows:

*Be it enacted, etc.,* That sections 1 and 14 of the act entitled "An act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes," approved April 23, 1924 (D. C. Code, title 20, secs. 831, 844), are hereby amended by striking out "2 cents" and inserting in lieu thereof "4 cents."

[Mr. BLANTON addressed the committee. His remarks will appear hereafter in the Appendix.]

The Clerk concluded the reading of the bill.

Mr. MAPES. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. McMILLAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 5823) to increase the motor-vehicle fuel tax in the District of Columbia and to provide for the better administration thereof, had directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. MAPES. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MAPES, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### REGISTRATION OF MOTOR VEHICLES IN THE DISTRICT OF COLUMBIA

Mr. MAPES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5824) to require the registration of motor vehicles in the District of Columbia, to prescribe registration fees based upon the weight of such motor vehicles, and for other purposes. Pending that motion, I ask unanimous consent that general debate on the bill be limited to 1 hour and 30 minutes, 45 minutes to be controlled by the gentleman from Tennessee [Mr. Davis] and 45 minutes by myself.

The SPEAKER. The gentleman from Michigan moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5824; and pending that motion, he asks unanimous consent that general debate be limited to one hour and a half, 45 minutes to be controlled by himself

and 45 minutes by the gentleman from Tennessee [Mr. Davis]. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Michigan.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5824) to require the registration of motor vehicles in the District of Columbia, to prescribe registration fees based upon the weight of such motor vehicles, and for other purposes, with Mr. McMILLAN in the chair.

The Clerk read the title of the bill.

Mr. MAPES. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. DAVIS. Mr. Chairman, I yield myself such time as I may desire to use.

Mr. Chairman and members of the committee, this is the fourth bill reported and recommended by the Select Committee on Fiscal Relations between the District of Columbia and the United States. It provides for the registration of motor vehicles in the District of Columbia and fixes the rates upon a weight basis. Perhaps some of the new Members will be surprised when they are told that until now the license fee for a motor vehicle in the District of Columbia has been \$1, whether that motor vehicle be a Ford roadster or the largest bus or largest truck. Of course, no situation is comparable anywhere else in the country. It has been fully determined and is generally recognized that the fair basis for taxing automobiles is in accordance with their weight. The reason for that, of course, is that the heavier the vehicles the greater damage they do to the highways and streets and the more room they take up on the highways. This tax, imposed by way of license fees upon automobiles, is in vogue in every jurisdiction in the United States. The average license fee in all of the States amounts to about \$14 per car. In the District of Columbia, as stated, the license fee is \$1 per vehicle. It is true that in the District of Columbia they tax, or are presumed to tax, automobiles as personal property. However, the same thing is done in 34 of the States of the Union. Even counting the tax as personal property on automobiles and counting the \$1 license fee the average for the District of Columbia last year was only \$3.79 per motor vehicle.

We have thoroughly examined the laws in force in the various States of the Union, and have undertaken to draft a bill according to the modern trend, so as to create a license fee of certainly not more than the average in the country, and I think it will prove to be somewhat under the average so far as this law will produce revenue in the District of Columbia.

We have just passed a gasoline tax bill; and, as I stated then, it is one of the recognized legitimate forms of taxation for the purpose of constructing and maintaining our highways and streets. A motor vehicle license law with a graded scale, and in accordance with weight and size, is likewise generally recognized as an entirely proper and legitimate form of taxation for the same purpose.

These two methods of taxing automobiles are generally accepted by the public, by the automobile industry, and by the motorists themselves as being the fairest method of raising taxes in order, as I say, to construct and maintain the highways upon which the automobiles operate. They are all more than willing to pay their proportion of these taxes in order to be able to operate their vehicles over good highways. The present Chief of the Bureau of Public Roads well says that we pay for good roads whether we have them or not, and we pay more if we do not have them than if we have them. In other words, the expense of operating automobiles over bad roads is a great deal more,

as compared to operating them over good roads, than the automobile expense in the form of a gasoline tax and a license fee. So it is economy, from their standpoint, as well as a legitimate method of relieving property of taxation with respect to the maintenance of our highways.

Mr. THATCHER. Will the gentleman yield?

Mr. DAVIS. Yes.

Mr. THATCHER. What is the estimate of the revenue to be raised under this bill with the present number of automobiles in the District?

Mr. DAVIS. Well, it is estimated it will raise, as I recall—and, of course, it is only an estimate—

Mr. THATCHER. I know; but just approximately.

Mr. DAVIS. It will increase the present collections on automobiles about \$1,200,000 a year; and in this connection I wish to state that this bill repeals the tax upon automobiles as personal property and substitutes this weight tax for the present license fee and the property tax.

Mr. THATCHER. No ad valorem tax will obtain if this bill becomes law.

Mr. DAVIS. No. This bill, together with the preceding bill, will doubtless raise sufficient additional revenue to properly maintain the streets of the District of Columbia and provide reasonable extensions and improvements. This is what should be done, just as is done almost everywhere else.

I wish to state also that Mr. William P. Richards, the District tax assessor, in an interview which is published in the press, expresses his approval of the substitution of the weight tax for automobile licenses and to replace the personal-property tax, because the tax on vehicles should be proportionate to the damage they do the streets.

Mr. BURTNESS. Will the gentleman yield?

Mr. DAVIS. Yes.

Mr. BURTNESS. I have a number of questions I would like to ask the gentleman, but I do not want to interfere with his argument. I will ask him now if that is satisfactory. Fundamentally, is this bill a bill for taxing the automobiles or for regulating the automobiles?

Mr. DAVIS. Both. In that connection I wish to state that what I mean by that is that it fixes rates for license fees predicated upon weight, and so forth, and it also has some provisions regulating the size of motor vehicles in accordance with provisions that are in vogue in Pennsylvania, in Virginia, and in most of the States, and which are embraced in the model automobile act which has been published by the Department of Commerce pursuant to an international conference on the subject.

Mr. BURTNESS. I realize, of course, there are many regulatory features in the bill. I was wondering if it was to be regarded primarily as a taxation bill, a revenue measure, and, if so, whether there may not be serious question as to its constitutionality—that is, unless it is to be regarded largely as a regulatory measure—because you are going to tax property without any regard whatsoever to its value and only with reference to its weight. For instance, you are going to tax an old automobile—

Mr. DAVIS. Even the rates themselves are regulatory in character, because the rate is increased in proportion to the size, on the theory that the heavier the car the more damage it will work.

In addition to this we make a distinction in the tax between pneumatic tires and solid tires and metal tires, as they do in practically all jurisdictions, and for the same reason, and that is because of the relative damage they do, and I think to discourage, particularly, the use of metal tires.

Mr. BURTNESS. I think there are very many splendid features in the bill in that regard, but the thing I can not quite get through my head is this: If this bill is to be more than a regulatory bill and is to be actually a tax measure, why you should tax an automobile that is 10 or more years old with as large a tax as you impose upon a brand new car. Most of these old cars are heavy, and some of them may not be used more than 1,000 miles during a season.

Mr. DAVIS. In that respect I want to say that only two States of the Union impose a license fee in accordance with

the value. The larger car will pay a larger license fee under this bill, because even upon passenger cars the rate is fixed by weight; in other words, a Packard car will pay as much more than a Chevrolet as there is difference in weight, and we think that in a degree reaches the value question, and in a more logical way and in accordance with the trend of legislation in all the States on this subject.

Mr. BURTNESS. Of course, there are many States that take other factors than weight into consideration. They take power into consideration, some take value into consideration, and they take age into consideration or a combination of such factors. There are various types of legislation in the various States.

Mr. DAVIS. I know that is true, but the vast majority of States fix the rate upon weight.

Mr. BURTNESS. Upon weight alone, does the gentleman mean?

Mr. DAVIS. Some of them use weight and horsepower. I have some figures here on that subject.

Mr. BURTNESS. I do not want to take up too much of the gentleman's time.

Mr. DAVIS. As the gentleman knows, there is not very much difference between weight and capacity.

Twenty States of the Union fix their license fees based upon weight, 2 upon weight and capacity, 22 upon capacity, 1 on horsepower, 1 on value, and 1 on capacity and horsepower. So in drafting this bill we certainly are in line with an overwhelming percentage of the States of the Union, and certainly with the trend of the legislation. We have undertaken to draft a bill which is modern and one which has been proven by experience in the different States to be the best way of meeting the situation.

Mr. FREAR. Will the gentleman yield?

Mr. DAVIS. I yield.

Mr. FREAR. The question has been raised whether or not a car that is worth, say, \$10,000 ought to pay a fee based entirely on weight. If the gentleman sees fit to offer an amendment to strike out section 7, of course, that would bring up the question for a test, because then the bill would permit the personal property tax to be levied.

Mr. BURTNESS. Of course, if the personal property tax is to remain, I think it must be agreed that it would be unreasonable to provide as high a regulatory fee as is provided in this bill. I am frank to say, just as an offhand proposition, it would seem fairer to me to let the personal tax remain rather than to assess every car purely upon its weight, without any regard whatsoever to its age or its value; particularly so now, after you have passed a bill in the House, which I hope will become a law, increasing the gasoline tax 2 cents, which will be paid, of course, by the people who use the streets of Washington the most. I think this is entirely in harmony with what is fair treatment; but I doubt whether it is fair treatment in the case, for instance, of retired Government clerks, with small incomes, who 10 years ago may have been able to buy an automobile and are able to keep that old car and use it for their pleasure a few hundred or a few thousand miles a year. We all know that cars made many years ago were heavier than comparable cars are now, and under this bill the owners of old cars may have to pay more for a license than they could sell their cars for to-day.

Mr. DAVIS. I want to say that I am in strong sympathy with the gentleman's idea. My State has both taxes—a license tax of 6 cents a gallon and a horsepower tax—and a weight tax on carriers for hire. This is simply an effort to be fair with the District of Columbia, together with the further fact that it is more certain and definite and easy of enforcement, and further, because not a great deal has been raised heretofore by the personal property tax.

As a matter of fact, it was stated by one of the officials that there were 30,000 cars operating here that paid no personal property tax on the ground that they did not consider them of any value.

Mr. ADKINS. You have here a gasoline tax, a license tax, and a property tax; and is not that pretty generally



the average in the various States? Is not this in line with what they have in other States?

Mr. DAVIS. The method of taxing automobiles varies considerably in detail, and we have undertaken to establish a happy medium in this bill. Some have one provision and not others, and some will have provisions very much higher than they are in other States. I think the bill we have reported will raise the tax fairly comparable with the surrounding jurisdictions.

Mr. STAFFORD. I suppose the committee did not intend to drive off the streets of Washington these old, discarded heavy-weight cars of the vintage of years ago. This bill will drive them out of existence.

Mr. DAVIS. Oh, I do not think so. I do not think any man who owns one of these cars will be badly hurt when he can get a license at such a small expense.

Mr. STAFFORD. The gentleman knows that these cars of 5 and 10 years back are heavier than comparable cars are to-day.

Mr. DAVIS. In Virginia they have a minimum of \$12.25. Many States have a minimum charge in excess of what it would be under this bill.

Mr. BURTNESS. What will the smallest tax be under this bill?

Mr. DAVIS. Well, at 50 cents a hundred pounds, the gentleman can figure that.

Mr. BURTNESS. I have not been getting the information which the committee has. Of course, I know at 50 cents a hundred pounds a car weighing 3,000 pounds would cost \$15 for a license.

Mr. DAVIS. Some of them would be as low as seven or eight dollars.

Mr. BURTNESS. Yes; for cars like the Austin—but we do not see many of them on the streets. What does a Ford weigh, for instance—does not that weigh upwards of 3,000 pounds?

Mr. DAVIS. I do not think so; a Ford sedan under this bill would pay about \$8. However, I decline to yield any further.

Mr. Chairman, I yield back the balance of my time. I will ask the Chair how much time I have consumed?

The CHAIRMAN (Mr. OLIVER of New York). The gentleman has consumed 25 minutes.

Mr. MAPES. Mr. Chairman and gentlemen of the committee, this is the last of the four bills reported by the committee to be taken up in the House. The committee expresses its appreciation for the reception the House has given to the three bills which have already been considered.

This bill under consideration now is, the committee thinks, a model motor vehicle weight tax bill, based on the best thought and legislation of States in regard to taxing automobiles or motor vehicles.

However, I did not rise to discuss this particular bill, but before its disposition I want to make an additional statement in regard to the general subject matter under consideration by this committee.

At the outset let me say that, for one, I do not intend now, nor in the future, to attempt to run down or to answer all of the statements and criticisms which may be made of the work and the report of this committee. The report speaks for itself and, in my judgment, answers every criticism which has been made of it in so far as the merits are concerned.

It is easy to understand the attitude of the District. It is perfectly natural and human. At the same time it is well to keep in mind that in exercising legislative jurisdiction over the District of Columbia, Congress is not usurping any power. It is only carrying out the mandate of the Constitution. Reference is sometimes made to the Boston Tea Party and "Voteless Washington." The fathers who sat in the Constitutional Convention in 1787 and framed the Constitution were quite as familiar with the Boston Tea Party as we in this day are. It was a matter of recent history with them. In spite of that fact they deliberately wrote into the Constitution the provision which requires Congress to exercise exclusive legislative jurisdiction over

the District of Columbia. Congress is obliged to exercise this power, whether or no, whether it chooses to do so or not. It is an obligation enjoined upon Congress which, in the performance of its duty, it can not escape, however unpleasant it may be.

As set forth in the report of the committee, in the performance of this obligation it has a dual responsibility. It must represent the people of the District and the people who live outside the District. It, of course, wants to be fair to both.

I do not want any Member of the House of Representatives to get the idea from anything that he may have heard or read that this committee did not hold hearings. It did. It invited before the committee and heard representatives of the District government and of different civic organizations within the District, as well as private individuals who desired to be heard. It heard everyone who expressed a desire to be heard up to the time the hearings of the committee closed, and it gave every witness who appeared before the committee full opportunity to express himself as he saw fit. I have here a copy of the hearings. It is a volume of over 500 pages.

A distinguished member of another body was quoted in the Evening Star of yesterday and the morning Post of to-day as saying:

I haven't seen the full report, but the details that have been reported are what was to be expected from a committee organized in pursuance of a resolution that was introduced in a spirit of controversy with the position of the Senate.

He continued:

It is really a def.

I hope that no one will read the report with that attitude of mind. It is in no sense a "def" or a challenge to any one.

The members of the committee were charged with the duty of recommending to the House what amount, in the language of the resolution creating it, "in their judgment," not the judgment of some one else, "the United States should contribute annually toward the development and maintenance of the municipality" of the District of Columbia. They have performed that duty, and they have given the facts upon which their judgment is based, and the reasons for it in the report which has been submitted to the House.

As stated in the report, the committee has endeavored—to give the House sufficient statistical information and data to enable every Member, not only now but in the future, to reach his own conclusion, from the information given, as to what the contribution of the Federal Government toward the expenses of the District government should be. The committee considers this feature of its report of prime importance.

Of course, the committee takes no responsibility for the conclusions of others, either before or after a study of the information and data given.

Lest we forget! I desire to quote, and I do so, with approval of the sentiment expressed, from the testimony of a witness before the joint committee of 1915, Mr. Herbert J. Browne:

\* \* \* the government of no city in America has been quicker to respond to an intelligent and fairly expressed public need and sentiment than Congress to the requirements of the District of Columbia. Unselfish opinion can prevail here, and if a thought may be expressed, it is that Congress has been so unwisely lavish in its attempted beneficence that a powerful land-holding element has been created which demands as a right what has been granted as a subsidy.

I thank you.

Mr. THATCHER. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. THATCHER. As a matter of information, did your committee have before it the report of the Bureau of Efficiency?

Mr. MAPES. It did.

Mr. THATCHER. Is that included in the hearings?

Mr. MAPES. It is in a separate document.

Mr. THATCHER. And that was considered by the gentleman's committee?

Mr. MAPES. Very carefully and very fully and rejected in toto.

I yield 15 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman, I rise to follow along the same line of thought just expressed by the chairman of the committee. I call attention to the fact that I have disclosed to the House that the unanimous report of the committee would have brought in \$14,000,000 from the District of Columbia in addition to what they now collect if we had invoked a personal-property tax and a real-estate tax equal to the comparable 22 cities we have had under consideration. As the chairman well says, the tea party up in Massachusetts is being discussed in the District of Columbia. There are various organizations in the District of Columbia, from Swampoodle, as they used to call it back in the days when I lived here, and Anacostia and other places which are being organized to tell the American Congress what the organization will do and what it will not do. Of course, that protest is quite imposing in a way. It is a voteless District, as they well say; but that is written into the Constitution, as Chairman MAPES has said. We can not change it. Washington wrote it there particularly so that District residents could not control all of the Federal property here. These organizations say they want the right to vote. It is a demand in the papers of yesterday and to-day. Do you know what would occur if that attempt is made and we offered to them an amendment to the Constitution? It would go back to the 48 States, and what would they say? Would three-fourths of the States give the right to the District when they knew that \$14,000,000 should be raised in the District of Columbia in taxes to bring it on a par with all of the cities outside? Do you think that? Try it. Not a single State would agree to the vote amendment.

It is offered I fear just to befuddle the issue. Anyone who lives in the District of Columbia by traveling 5 or 6 miles can get over into the State of Maryland where he will pay an increased tax, as people do outside the District, or he can go into Virginia, where also they pay a higher tax than here; but I do not hear of any exodus from the District of Columbia by these organizations that are complaining about a voteless District.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes. Certainly.

Mr. SIMMONS. I suggest that there is a movement as the gentleman knows to restore that part of the District which is now in Virginia to the District of Columbia.

Mr. FREAR. Then they might move out a little further and retain the advantage of the lighter tax.

Mr. SIMMONS. That movement had its inception in a desire to get the low tax rates and the privileges of the District.

Mr. FREAR. No man of any intelligence or honesty of purpose will say that a member of this committee purposely acted unfairly or was prejudiced in the hearings or in the decision. We have endeavored as best we could to accept positions that we did not want. We were placed on this committee by the Speaker of the House, and we have undertaken our task fairly and honestly and without fear. That is one of the troubles with the American Congress to-day. Why do we not impose a tax on these people that they ought to pay? No argument has been made here in favor of levying \$9,000,000 additional taxes on real and personal property. Of course the Legislative Committee on the District of Columbia can impose a \$9,000,000 additional real and personal tax if it chooses, and it ought to impose this tax to equalize taxes generally. There is no just reason for not doing so.

We are confronted with a statement of which the chairman speaks and which I noted last evening in the press. It is my desire to keep within parliamentary rules, and if I do not I hope some one will call me to order. A gentleman was quoted wherein he said he felt that the organization of the Mapes committee was a defy—I do not know whether to him or to the Senate or to whom, or to the District. We

never knew of his feeling in the matter then nor at anytime before. I do not think a member of our committee had any thought of a defy, and I do not know what the gentleman means by it. I do know this, that the gentleman in question was given the most liberal condemnation that ever came to any man in Congress on either side, so far as I remember, because of his attitude when he first came to Congress to influence the tariff bill, all under particular circumstances. The record is well known. I have this in mind and it is a very tender thought.

This gentleman, who stands constantly in the spotlight, who gets his reward in the columns of the local press, tells us the Mapes committee is a defy. The other day he went down to the Philippines, and the little brown men were to be pitched out into the sea because he was not satisfied with their position or demand for independence. He had all the experience of a few hours down there to determine the merits of the great question by this newcomer who constantly is in the press. He says this committee is a defy to him, I take it, possibly because he occupies a position where he feels that it is trespassing upon his exclusive rights to determine all legislative matters. If the House of Representatives does its duty, it may say to him and to anyone at the other end of the Capitol or elsewhere, and to the people who are going to move out of the District or threatened to, "You pay your fair amount of taxes before you come here and ask for a District dole." Why not, I ask you. We are all taxpayers. What right has anyone to say, make this a place where there can be tax evasion and tax dodging, which has been its reputation for all of these years. The press and residents say, "We ought to have all of the advantages of a capital city" and a far less tax to pay. No city in the entire world, with one exception, gives a dole to the people of that city because the Capital happens to be located there. The proper thing for the House of Representatives, which is equal in its legislative power to the Senate, I submit, is to say to anybody who complains about a defy, "Let the District of Columbia pay what it should pay in taxes and what is right; then we will determine the amount of the dole, whether it is to be one million or six million." Suppose they say, "We will not pay it; we will continue to belabor Congress"? What will you do? What will the average city do? Why not say if you do not tax yourselves, you get no dole. Every city must tax itself to meet expenses. That is the only way every other city in the world except Washington has to do. Why not put that proposition right up to these people who are complaining about a "defy"? There is no other person that I know of who has ever been a "defy" more than the gentleman who fears at this time that he is confronted with a defy from the House of Representatives. Of course, we never had him in mind. Not a member of the committee ever spoke of him or ever thought of him. That might be unfortunate to his pride, and he might regret it. He may think he occupies the same position there that he thought he occupied in another body. I do not know of anyone here who pays any attention to him or cares about him. When he says, "It is a defy," I say he was never thought of, and he magnifies his own importance.

The suggestion is made by a Member sitting before me that he wants to get in the newspapers. How can I deny it? It is an easy way to get into the newspapers, by "defending" the District. You can always do it here. You can always get into the papers if you are a "defender" of the District. There was not a "defender" here yesterday who would have risen in his place and attempted to speak against one of the bills which we were considering. They are the same bills that are put in force in other places. Why should not the District of Columbia pay the same? Why should its people be a specially favored class? I say that because I have lived in the District of Columbia. I thought it was the most fortunate place in the world to live. It is the most beautiful city—and I have been in nearly every capital city, I believe, in Europe. There is no city the world over that compares with the city of Wash-

ington, and yet these people, with all these privileges, with \$200,000,000, approximately, being paid out every year for employment and other purposes by the Federal Government do not want to pay their just taxes. As my friend from Texas yesterday said, it gives them new bills, yet we know they complain and they are going to organize a tea party headed by the gentleman who fears there is a defy. With all of his epaulets and shoulder straps and the bonnet with feather he is going to wear at that time, he is going to tell the people of the District of Columbia how they have been burdened and how unfortunate they are. He will lead his army against just taxes. Just think of the absurdity of a situation like that in this undertaxed District.

Mr. BLANTON. Will the gentleman yield?

Mr. FREAR. I yield. I am glad to yield to a man who knows more about the District than I do.

Mr. BLANTON. I want to call attention to the fact that all of that apparent animosity which led that distinguished gentleman from Connecticut to imagine and voice the defy came from the newspapers. They get mad at the House, and they run over somewhere else and find somebody to voice their sentiments, and it came from a Republican from the State of Connecticut, if you please. He is not willing to admit that \$6,500,000 is enough of the people's money to contribute to the civic expenses of this District. But some day his people back home will become posted on the subject.

Mr. FREAR. In addition to the four million that we are just providing for here through income, estate, gas, and auto taxes.

Mr. BLANTON. Yes; and I want the gentleman to call attention to the statement that I put into the hearings of his committee on these bills from your former distinguished member of the District Committee, Mr. Johnson, of Kentucky, wherein he said that even in his day if you figured up the balance, the District of Columbia would owe the Federal Government \$50,000,000 for extra handouts that had been given to them up to that time. That is in the hearings from your former distinguished chairman of the Committee on the District of Columbia.

Mr. FREAR. I thank the gentleman for his contribution. And let me say that I was here when Chairman Johnson was chairman of that committee. That was many years ago. He was pilloried nearly every day when a District bill was here by the local press. Mr. good friend Mr. SIMMONS, of Nebraska, has been abused and Cramton has been abused. No man can satisfy the people of the District of Columbia in the matter of taxes. The press is not that way in the ordinary cities. They give you fair treatment. They give people who are trying to do their duty credit for that purpose, but the Federal Treasury is here and the disposition is to get their fingers in with the expectation of lessening taxes. I would not put an undue tax on the District. I want to make this city the most beautiful city in the world, which it is to-day. There is no city that compares with it, and I accept the criticism of the city by my good friend, Mr. LAGUARDIA, of New York, when he says there are portions of this city that ought to be improved, cleaned up. With that I agree. They should be cleaned up, but as a whole the city is a wonderful city, second to none, and I would keep it so. If it pays \$14,000,000 increased taxes the committee has found to be just and right, it will save the Federal Treasury to that extent.

Mr. BLANTON. Our friends, the newspapers here, get mad when we mention them, but they mention us whenever they get ready. They give us "h" whenever they get ready, and my policy is to give them "h" in return when they deserve it.

Mr. FREAR. Which "h" does the gentleman mean?

Mr. BLANTON. They know what "h" I am talking about.

Mr. FREAR. Well, I want to say this in justice to the newspapers. I have never felt but that I had a square deal from any paper outside of this city. I have taken the floor here when the Wall Street Journal published a long editorial criticizing me and what I had said. When I corrected the paper it published my full explanation in the same editorial column, which was eminently fair.

The same is true of the New York Times, and there is no stronger or better paper in the country than that. Those papers, and practically all others outside the District, do treat us fairly. But, as was pictured here yesterday, we ourselves sometimes belittle our Congress. Untrue statements are made and they are not resented. I will say that there is not a man in this body—and I do not care who he is or where he is—whom I would not place higher in comparison with a publisher I have in mind. I am not going to mention his name, but his record and character speaks for itself. You must have some reputation, my friends, to be here. You have to be respectable and responsible. You go to your constituents and say, "This is my record." If it is right, they will quickly discover it. You are sent here by between 200,000 and 300,000 people, yet we are treated here like a lot of lackeys by men who want the spot light—such as this man who is looking for a defy. Will he get it? All the rest of us are put in the attitude of injuring the District, which I am certain not a man on this floor would do.

Now, my friends, I was placed here to close this discussion.

Mr. GLOVER. Will the gentleman yield?

Mr. FREAR. Certainly.

Mr. GLOVER. I think the gentleman from North Dakota asked a very pertinent question a moment ago with reference to this, as to whether it was to regulate or was a tax to raise revenue. Does the gentleman know whether or not this question has been passed on, that you can put a tax on personal property to produce revenue without having any regard whatever for its value?

Mr. FREAR. It has been done right in the District of Columbia for years with the automobiles. They have taxed them \$1.

Mr. BURTNESS. Oh, no. If the gentleman will permit, under the law up to this time in the District of Columbia, automobiles have presumably been taxed for their full value.

Mr. FREAR. Oh, no.

Mr. BURTNESS. Wait a minute. Presumably, I said. They have provided a registration tax of \$1, which is an entirely different matter.

Mr. FREAR. It has nothing to do with the registration tax, and that, I knew, was the gentleman's mistake. Many of their cars are paying a personal-property tax of \$1, if I recollect the hearings correctly.

Mr. GLOVER. What I started to say was that the report says it is for the purpose of raising revenue. That is stated in the report. If there is any controversy over that, it ought to be settled now. I believe there ought to be a weight tax in it, but I think a property tax should also be carried, so there can be no question about this being a legitimate tax.

Mr. FREAR. Then the gentleman's proposal would mean the striking out of section 7, which the gentleman will have the opportunity of doing. The committee has in every instance attempted to be fair and just and hold things down below the average, and it was for that reason we did not put the property value in. We get little credit for anything we have done. We will get criticisms, but we do not care about them, because we are not here to satisfy any people except our own consciences. I am speaking now generally. If the gentleman feels that personal-property tax is right, he can offer an amendment and, of course, he may have some following on it. We did not.

Mr. GLOVER. My idea is that a car ought to be taxed according to its value. There might be a car weighing 5,000 pounds that would not be worth very much at all.

Mr. FREAR. I can understand that, and we all understand that. Of course, there is no question about that. If the gentleman wants to undertake it he can offer an amendment.

Mr. GLOVER. I think I shall.

Mr. FREAR. That is the way to reach it.

Mr. BLANTON. There is a property tax here now, but the exemption is such that it practically takes all Fords, Chevrolets, and cars of that value out of the taxable class.

Mr. FREAR. I have understood that there were a whole lot of Fords and old machines that were taxed at \$1 apiece.

That is what I have in mind. It is not a registration fee, and I think it so appears in the hearings. The cars I have referred to were taxed at \$1 each, an absurdity, of course, on the face of it. We have tried to give you orderly and businesslike bills drawn on the latest plans. I do not know whether they will get through the Senate or not, and, as far as that is concerned, it will not affect us at all. We have done our duty and that is all we tried to do. We have recommended these bills for passage by the American Congress, but if in another body or any other place they say they will not yield, have your own recourse.

The House of Representatives is just as great a body and represents the American people just as much as any other legislative body in the world.

Mr. BLANTON. Will the gentleman yield for a further question?

Mr. FREAR. Yes; certainly.

Mr. BLANTON. Their greatest argument and their stock-in-trade argument is that it is taxation without representation.

Mr. FREAR. Yes; I know.

Mr. BLANTON. The gentleman knows that we have a special District legislative committee of 21 members who work constantly for Washington and represent the people here, and there are thousands of people living in the District of Columbia who vote on all national affairs in their various States. They go home to vote, and most of them are Republicans. I can understand why they are not very well represented now.

Mr. FREAR. Maybe they did not go home last year?

Mr. BLANTON. They are not taxed without representation; they are well represented here.

Mr. FREAR. Let me say to the gentleman in answer to that argument, which is made repeatedly, there are certain gentlemen who are afraid of a "defi," who represent them to-day. They represent them way beyond what you gentlemen would represent your districts or anyone else, because they are constantly here asking for things for the District because of the reward that is sure to come of additional publicity and criticism for failure.

We have worked hard to present these bills to you. We have no personal interest in them at all. You have passed them on to the Senate, and you have it in your hands through the legislative committee of the District later on to enact a law that will provide that these District people shall pay on real estate and on personal property the same taxes that are paid back in our States, and this is all that we have asked.

I thank you very much for your attention. [Applause.]

Mr. DAVIS. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. LAMNECK].

(Mr. LAMNECK asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. LAMNECK. Mr. Chairman, ladies and gentlemen of the committee, I appear before you as a new Member. This is a great event for me, if not for you. I come here with the greatest determination to vote for all constructive legislation that is presented at this session of Congress. [Applause.]

I believe the people of my district, of Ohio, and of the Nation expect me to do this. My district has a population of about 400,000 people; farmers, business men, large and small. We have Democrats and Republicans, about equally divided. They have asked me to come to this session of Congress and tell the Congress what we think of various things and what sort of legislation we think should be enacted at this session, and through the generosity of the gentleman from Tennessee [Mr. DAVIS] I have this opportunity, which I appreciate very much.

To represent 400,000 people in the greatest legislative body in the world is a great privilege. I want to measure up to this responsibility. After telling you what we think, we do not care whether the legislation comes from the Republican side or from the Democratic side or from the Progressive element. They expect me to vote for legislation that is going to take us out of this terrible depression.

I wish I had the power to reflect to you the feeling of the people of my district—Republicans, Democrats, rich, poor, big business men, and little business men. They know we are in a terrible situation, and they do not expect us to play politics at this session of Congress, until, at least, the necessary things are out of the road.

One of the things they believe we should give first attention to is financial legislation. They do not think we ought to do anything with the Federal reserve act, or at least not very much, because its worth has been demonstrated a thousand times before this.

They expect me to vote for President Hoover's moratorium, and I am going to do it. [Applause.]

They expect me to vote for the home discount bank bill. In my city alone, ladies and gentlemen, we have in the building and loan associations \$130,000,000—think of it—"deader than a doornail"; that we can not do a thing with unless some legislation of this kind is passed at this session.

The statement is made that if this bank bill is passed \$60,000,000 will be immediately available for uses in legitimate business.

People are in a terrible situation there because the public has lost confidence in the banks, and if there is anyone here who thinks we can run a business without banks and financial institutions, I would like to see him. I can not. In my manufacturing business I must use the banks.

Therefore I claim we have got to do something for the bankers, whether we like it or whether we do not like it. The public's confidence must be restored so that they will leave their money in the banks, and the banks' confidence must be restored so they will lend the money to legitimate business. In my judgment you will never have any prosperity in this country until this situation is solved.

Restoring public confidence is the first thing to do, and any legislation that will restore confidence is what we ought to vote for regardless of our political affiliations.

My people believe we ought to do something about the tariff. They believe we ought to revise the tariff. They believe the tariff has resulted in a large loss of world commerce. They point to the fact that in Canada alone 107 American manufacturers have built plants there since the last tariff was passed. I do not claim to know anything about the tariff, but if that condition is true, there must be some reason for it.

I do know, however, of a situation that occurred with a customer of mine in New Zealand. He used to buy furnaces in this country and when the tariff bill was passed he quit buying furnaces here. When asked why he quit, he said:

We can not buy furnaces in the United States any more because we have set up a retaliatory tariff, and we charge \$75.60 for every \$100 order that you ship to us.

With the retaliatory tariffs passed by 47 foreign countries which have resulted in our losing world commerce, is it not about time that Democrats and Republicans should act together and revise the tariff, no matter what our record has been in the past on that important subject? [Applause.]

Another thing they believe we ought to do something about is prohibition. They believe—and I think I reflect the sentiment of my district—that prohibition has interfered with the consideration of subjects of greater importance. Just think of it! The President of the United States can not appoint a member of his Cabinet unless the question is asked whether he is wet or dry. A man can not be nominated for Congress unless he is asked the question whether he is wet or dry. A Senator or a governor of my State, or any State, can not be elected unless he is asked whether he is wet or dry. I hope the bill which will refer the question of prohibition to the States for ratification by constitutional convention will be enacted at this session.

Another thing you have heard about is the concentration of wealth in the hands of a few. I have heard it stated that 3 per cent of the people of this country own 93 per cent of the wealth. They want me to tell you to do something for the small men and women, the small business people, who have been forced back by this movement during the last 10 or 15 years, and they point to the fact that if that



trend continues it will be only a short time before we will be a Nation of two classes, the rich and the poor, instead of a Nation of the rich and a great middle class. [Applause.]

Mr. HERR. Mr. Chairman, will the gentleman yield?

Mr. LAMNECK. Yes.

Mr. HERR. Mr. Chairman, I am very much interested in the remarks of the gentleman that prohibition is not, and should not be, an issue or be used as a yardstick. Is it not a fact that the only reason why the gentleman and myself are here is because of that issue?

Mr. LAMNECK. No; I would not say that.

Mr. FREAR. Mr. Chairman, I yield nine minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, ladies and gentlemen of the House, you will recall that a short time ago this House passed a resolution unanimously to create a commission to celebrate the two hundredth anniversary of the birth of George Washington. I rise to bring to the attention of the House to-day a little ancient history that may cause men in high places to reflect upon their solemn responsibilities as representatives of the people.

When it was sought in the House of Representatives in 1793 by resolution to pay respect to President Washington on the occasion of his birthday the motion was vigorously opposed.

When the Jay-Grenville treaty of 1794 was placed in the hands of President Washington on March 7, 1795, the partisan press poured forth a perfect torrent of abuse. The Aurora, a newspaper of that period, had this to say:

The President has violated the Constitution. He has made a treaty with a nation that is the abhorrence of our people. Louis XVI in the meridian of his splendor and his power never dared to heap such insults upon his subjects. The answers to the respectful remonstrances of Boston and Philadelphia and New York sound like the omnipotent director of a seraglio. \* \* \* As he has been disrespectful to his people, let him no longer expect them to view him as a saint.

It was about this time a man who wrote under the name of "A Calm Observer" charged Washington with being a thief, alleging in support of the accusation that the Chief Executive had drawn from the Public Treasury for his private use more than the salary allowed by law, and inquired:

What will posterity say of the man who has done this thing? Will it not say that the mask of political hypocrisy has been worn by Caesar, by Cromwell, and by Washington alike?

How these poisoned shafts of calumny and gross ingratitude must have pierced the pure and stainless heart of Washington. How much he suffered from these assaults upon his character is a matter of recorded history.

One who styled himself "Pittachus" wrote:

Happily the public mind is rapidly changing. Hitherto the name of Washington has been fatal to the popularity of every man against whom it was directed. Now it is as harmless as John O'Nooke or Tam O'Stiles. To be an opposer of the President will soon be a passport to popular favor.

At the very time when the life of the infant Republic hung by a thread and President Washington was quietly and courageously consecrating his very life to preserve and promote its welfare, he was subjected to an ever increasing broadside of abuse. A writer of that time, referring to those who were then engaged in an effort to destroy public confidence in the Chief Executive, said that they—

Threw aside all reserve \* \* \* and under the abused name of the liberty of the press assaulted his fame with a virulence not inferior to that with which they could have attacked the meanest defaulter. His military, his civil, his political, his private domestic character were all arraigned, and he was asserted to be destitute of merit, either as a man or as a soldier. \* \* \* Having once made the charge of speculation against Washington, the imposters stood their ground and undertook to support it by extracts said to be taken from the Treasury accounts. The Secretary of the Treasury testified that the appropriations made by the Legislature had never been exceeded, still the charge was repeated with an effrontery which passed with some for the firmness of conscious rectitude.

An extract published in the Aurora under the date of March 23, 1796, which is only one of many vicious assaults published at the time, will suffice to show the depths of

degradation to which partisan prejudice can go in an attempt to blast the character of a political opponent:

If ever a nation was debauched by a man, the American Nation has been debauched by Washington. If ever a nation has been deceived by a man, the American Nation has been deceived by Washington. Let his conduct, then, be an example to future ages; let it serve to be a warning that no man may be an idol; let the history of the Federal Government instruct mankind that the mask of patriotism may be worn to conceal the foulest designs against the liberty of the people.

Stung to the quick by these foul and merciless charges, Washington wrote to his friend, Governor Lee of Virginia, as follows:

That there are in this, as in all other countries, discontented characters I well know, as also that these characters are actuated by very different views. Some good, from the opinion that the measures of the General Government are impure; some bad and (if I might be allowed to use so harsh an expression) diabolical, inasmuch as they are not only meant to impede the measures of government generally, but more especially to destroy the confidence which it is necessary the people should place (until they have unequivocal proof of demerit) in their servants; for in this light I consider myself whilst I am an occupant of office, and if they were to go further and call me their slave during this period, I will not dispute the point with them. But in what will this abuse terminate?

For the result, as it respects myself, I care not. I have a consolation within me of which no earthly efforts can deprive me, and that is, that neither ambition nor interested motives have influenced my conduct. The arrow of malevolence, however barbed and pointed, can never reach my most valuable part; though, whilst I am up as a mark, they will be continually aimed at me. The publications in Freneau's and Bache's papers are outrages on common decency, and they progress in that style, in proportion as their pieces are treated with contempt, and passed over in silence by those against whom they are directed. Their tendency, however, is too obvious to be mistaken by men of cool and dispassionate minds, and in my opinion ought to alarm them, because it is difficult to prescribe bounds to their effect.

That these outrageous and foul slanders injured and embittered President Washington is disclosed in a letter written by him to Thomas Jefferson:

To this I may add, and very truly, that until the last year or two I had no conception that parties would, or even could, go to the lengths I have been witness to; nor did I believe until lately it was within the bounds of probability—hardly within those of possibility—that while I was using my utmost exertions to establish a national character of our own, independent, as far as our obligations and justice would permit, of every nation of the earth, and wished by steering a steady course, to preserve this country from the horrors of a desolating war, I should be accused of being the enemy of our Nation and subject to the influence of another, and to prove it that every act of my administration would be tortured and the grossest and most insidious misrepresentations of them be made by giving one side only of a subject, and that, too, in such exaggerated and indecent terms as could scarcely be applied to a Nero, to a notorious defaulter, or even to a common pickpocket.

One of the most accomplished scoundrels of that period, a degenerate wretch named Callender, kept up an incessant assault upon Washington. Referring to the Farewell Address of Washington, in a pamphlet entitled "The Prospect Before Us," he said:

By his own account Mr. Washington was twice a traitor—he first renounced the King of England and thereafter the old confederation. His farewell paper contains a variety of mischievous sentiments.

Later this unconscionable knave turned his battery of abuse upon President Adams. He referred to him as a "hoary traitor."

It was alleged by the propagandists in the campaign of 1800 that Thomas Jefferson—

Had obtained his property by frauds and robbery; that in one instance he had defrauded and robbed a widow and fatherless children of an estate to which he was executor of £10,000 by keeping the property and paying them money at the nominal rate when it was worth more than 40 to 1.

This charge was promptly disproved.

Jefferson, in a letter to Washington, referring to the muck-raking newspapers of the time, said:

No government ought to be without censors, and where the press is free no one else ever will be.

Meeting a friend one day he remarked:

There is nothing true in the newspapers except the advertisements.

Not content to limit his attack to the public life of Jefferson, this arch renegade, Callender, charged him—

With having a family of negro children by a slave woman named Sally; with having been turned out of the house of a certain Major Walker for writing a secret love letter to his wife; and with having swindled his creditors by paying debts in worthless currency. . . .

As early as the year 1800 such charges were considered news, even when made against the author of the Declaration of Independence.

Andrew Jackson was called a murderer, an adulterer, and a traitor. The New York Evening Post, referring to him in its columns, said:

He has broken the known law of nations and promulgated a new code of his own, conceived in madness or folly, and written in blood. He has, in fine, violated all laws, human and divine.

Each day thousands of American citizens reverently stand before one of the most beautiful memorials in all the world to pay respect to the martyred Lincoln. Yet within the lives of men and women now living this great and good man was the target of the most vicious abuse and the grossest slander. A delegate at Chicago asserted that—

Ever since that usurper, traitor, and tyrant has occupied the presidential chair the party has shouted "War to the knife, and the knife to the hilt!" Blood has flowed in torrents, and yet the thirst of the old monster is not quenched. His cry is for more blood.

The assassin's bullet was the logical result of campaigns of falsehood and hate.

It would seem that the tragedies of Lincoln, Garfield, and McKinley might cause men in public life and the press to pause and reflect upon the possible consequences of inflammatory and false charges against the Chief Executive. There will always be some persons reckless enough to use their talents to manufacture and disseminate false and vicious charges against a President of the United States.

If any citizen of this country or any official of this Government has facts with which to prove corruption, let him use constitutional and legal machinery to correct the alleged abuse. Our Government is too precious to the individual and too essential to the preservation of civilization to be endangered by careless and reckless appeals to the prejudice and passions of suffering humanity. With radicals and reds appealing to the hungry and the unemployed urging disloyalty to the Government, this is no time for men in high places to start false rumors to achieve either personal or political advantage.

Mr. DAVIS. I yield 15 minutes to the gentleman from Texas [Mr. DIES].

(Mr. DIES asked and was granted permission to extend his remarks in the Record.)

Mr. DIES. Mr. Chairman, ladies and gentlemen of the committee, I do not rise for the purpose of engaging in partisan debate or destructive criticism. Neither shall I consume the time of this House with glittering generalities and meaningless platitudes. We are in the midst of a great economic depression that is vitally affecting the happiness and well-being of countless millions of our fellow countrymen. It is not necessary to describe the deplorable conditions that obtain in every section of the Nation, and with which the majority of us on both sides are painfully familiar. The question that is paramount in every heart and upon every lip is the cause and the remedy. It is imperative that we discover the cause or causes in order that we may successfully and effectively apply the remedy or remedies.

I am not so presumptuous as to indulge the vain belief that I can point out the cause of our present situation and propose the necessary remedy. I have no panacea or political nostrum to offer. What I shall say, like most statements, is neither new nor original. But the repetition of great truths and the constant reminder of fundamental principles often serve to keep us on the true course, or, "when we wander from them in moments of error and alarm, to hasten us to retrace our steps and regain the road which alone leads to peace, liberty, and safety." Indeed, Mr. Chairman, there is nothing new underneath the sun. History repeats itself

constantly, and in its accurate mirror we may often see familiar scenes and faces. Of the countless panaceas that flood the mail, few are either new or original.

Many decades before Karl Marx and Lenin were born the empty dream of communism was shattered in the ancient Republic of Sparta. The artificial fixation of prices by government and the vain attempt to suspend the operation of natural economic laws was unsuccessfully tried by the last Emperors of Rome. In spite of the lessons that history teaches and the light which she so generously offers to guide our erring steps, many of us prefer to grope in darkness or to try once again the futile experiments of the past.

Mr. Chairman, in my humble judgment the cause of the present economic crisis is our foolish attempt by artificial means to suspend or interfere with, in so far as certain favored groups and industries are concerned, the natural and orderly operation of those great and fundamental laws that underlie and govern the economic world. This attempt has been made by private monopoly, collusion on the part of competing industries, and by unsound legislation. We have sought to interfere with the laws of competition and the law of supply and demand by various and sundry artificial expedients. The adoption of an artificial expedient by one industry, or in favor of certain classes of industry and commerce, necessitates a similar course in reference to other industries until finally the barriers of artificial restraint impede the natural flow of commerce and business. The impounded rivers of industry and commerce will stagnate or eventually sweep away the artificial barriers and leave in their wake ruin and desolation. For a time these artificial barriers may be sufficient to suspend the operation of economic laws. During such time the favored and privileged classes that are protected by the artificial barriers enrich themselves at the expense of a helpless consuming public that is compelled to sell and work on a competitive basis and to buy in an artificially controlled market. This results in concentration of wealth and power in the hands of a few and the impoverishment of the many. It creates two extreme classes—the ultrarich and the ultrapoor.

In the last decade a new school of economic and political philosophy has risen from the tomb of the past. This school denounces competition in industry and commerce as wasteful, and advocates artificial control of supply and demand by private monopoly or collusive agreements. But, by a strange inconsistency, this school of thought does not apply its creed in the cases of independent business, agriculture, and labor. These latter groups are required to engage in the competitive struggle, and any attempt by legislation or otherwise to put them upon the same plane of economic equality with protected industries is met with vigorous opposition.

Spokesmen of large banks who are intimately associated with manufacturing and mining interests quickly perceive the mistake of impoverished agricultural producers in following, with the aid of the Government, the example of the big industries in artificial control of prices. The farmers are told that it is futile to undertake to solve the problem of farm surpluses by keeping prices up and stimulating great surpluses. These same spokesmen admonish the farmers that all attempts to suspend the operation of the law of supply and demand will result in failure. But there is no difference in theory and policy between industrial and agricultural price control "in defiance of the law of supply and demand," as the phrase goes. The real difference in practice is that large private business is usually able to do it for a time more successfully and to the greater profit of the little group of insiders, than can any governmental board for the benefit of a multitude of individual and competitive citizens. By a well directed and organized propaganda the faults and failures of the Sherman antitrust law have been pounded in our ears. Some captains of industry are urging us to make radical revision of its terms—if not to bring about its complete repeal. During the past decade this economic school which holds as its chief tenet the proposition that competition in industry and commerce should be eliminated has largely shaped and directed the policies of our

Government. By a prohibitive tariff policy we have practically freed privileged and favored industries from every character of foreign competition.

The object of our tariff legislation has been not to regulate competition or protect American industry from dumping, retaliation, or unfair competition. In our zeal to protect the favored industries we have gone so far as to free them from every character of foreign competition, fair and unfair alike. The Government has not sought by its tariff policy to raise revenue, protect infant industries, or to protect efficient and important industries from destructive competition based on lower standards of living and labor costs abroad. There was a time when our country was largely dependent on mining and agriculture and we had the very natural desire for industrial development. We recognized that the unrestricted competition of well-established industrial countries would seriously retard our industrial progress. In order to "promote the stability of our economic life by broadening the base of our prosperity it was felt that it was justifiable for the Nation to incur the temporary economic loss on account of the higher prices paid for protected commodities." Our industries are no longer infants, but have reached the state of maturity.

It is said that because many industries in foreign nations pay lower wages than are paid in the United States we are justified and even compelled to protect our own producers so that they can in turn protect their employees from the unfair competition of such foreign producers. Of course, no intelligent citizen wants the standards of American living to be lowered or the American laborer to be reduced to a state of semislavery, but there is a vast distinction between wages and labor costs. Many industries in the United States pay considerably higher wages than are paid by their competitors in foreign countries and yet the actual labor cost of the home producer is considerably less than that of his foreign rival. The American laborer, with his intelligence, efficiency, and superior equipment, is able to create considerably more wealth than the laborers of other countries; and it is a truth demonstrated so often that it is now generally accepted that our workmen, receiving higher wages in comparison with those of other countries, have such a high rate of production that the cost per unit of output is much lower than that of low-paid labor in foreign countries, which is inefficient and wastefully used.

But in spite of the greater productive capacity of the American laborer, the more fertile resources of our country and the more highly improved machinery and technique, many of our industries demand and receive prohibitive tariff protection to avoid every character of competition, fair and unfair alike.

But not content with the elimination of foreign competition the high priests of this school of economic philosophy, that seems to direct the policy of our administration, advocates the elimination or restriction of competition between industries in the United States. This is sought to be accomplished by the artificial means of collusion and agreements between competitors; or by consolidation of several concerns either by merger or acquisition. But a change has taken place in the methods by which great combines seek to artificially suspend the operation of the law of competition and supply and demand. They no longer resort to price-cutting to eliminate with competition. Prices are maintained at a level which allows the larger and more efficient units in the industry to earn large surpluses, "concealed by the secrecy with which many of the price arrangements are conducted and by the continued existence in some instances of a number of small independent businesses which follow the trust prices and furnish protective coloring." The great combines say they desire to stabilize the market and not to spoil it. The smaller competing concerns fear the potential ability of the more powerful combines to undersell drastically the less powerful. Therefore, by informal gentlemen's agreements and understandings, or by tacit understanding, or by the dominant leadership of the great combines, prices are in a number of industries maintained at an artificial level. The other method by which artificial control of prices and

interference with natural economic laws are maintained is by consolidation of several concerns either by merger or acquisition.

Mergers have been rapidly multiplying.

Between 1918 and 1928, 1,268 resulting consolidations involving billions of dollars of capital were formed, an average of 127 a year. In this process of consolidation many thousands of originally independent establishments disappeared, "narrowing in all directions the field of competition, and enlarging the domain of private monopoly."

Some of these combinations are formed for the purpose of securing the economies of large scale operation. The economies which large-scale operation may offer are well known.

In the purchase in bulk of raw material and power there is opportunity for comparison and selection which are denied to small rivals. In production there is an opportunity to profit by division of labor; each person employed can be given his own job to do; there need be no waste of time or skill in standing idle or transferring from one kind of work to another; the manufacturing plant can be worked to capacity and every machine, like every worker, can be given a particular task to perform so that the product can be turned out with accuracy and precision; by-products can be utilized and wastes may be disposed of profitably in bulk; products can be standardized. In marketing the large-scale producer has the opportunity to profit by the cheapness of transporting in bulk and may often maintain his own services by road, rail, or water. In advertising, the large-scale producer has the opportunity to maintain his selling force considerably less costly per unit of products sold than the smaller firms and in distributing he may maintain his own wholesale and retail selling agencies and thereby earn for himself the profits which formerly went to the middleman.

Although the economies of large-scale production are the objects sometimes sought by consolidation, in many instances this is used as a mere pretext. In some instances great consolidations are not as efficient as independent units; the smaller unit can often achieve economies which are denied to the large-scale producer.

A study in 1921 of the most notable mergers formed before 1903 showed that in 23 of the 35 cases the earnings in the next 10 years were less than before the merger, and in half of these less than one-third to nine-tenths, and in the aggregate earnings of all 35 were nearly one-fifth less than those of the separate competing establishments prior to consolidation. Even the United States Steel Corporation earned only about 85 per cent as much in its first 10 years as the previous earnings of its constituent companies. The great consolidations often become unwieldy organizations, and the effective supervision and the higher direction of the enterprise becomes impossible. But when the consolidation is once formed it is usually impossible to unscramble it. The efficiency of the resulting merger may be less than that of the units which make it up, when the latter were separate and independent, but its ability to artificially control the market, the hesitancy of new capital to enter an already overcrowded industry, the tremendous influence of the financial interests closely linked with the combine may serve to keep it alive long after industrial justification for its existence has ceased.

Many mergers are formed because promoters see the opportunity to make a fortune through overcapitalization and the issuance and sale of watered stock. The syndicate that formed the United States Steel Corporation made a profit of \$62,500,000; of this the firm of J. Pierpont Morgan received \$12,500,000, in addition to the share of which they were entitled as syndicate members. The formation of the Asphalt Co. of America left in the hands of promoting interests about one-third of the total bonds issued in acquisition of the various constituent properties.

Professor Dewing, who examined in detail the promotion and financial history of 14 of the largest American combines, concluded that in their promotion the total tangible assets averaged 40 per cent of the total issued securities; the remaining 60 per cent represented watered stock. Someone must pay for these watered stocks. Either the owners in the eventual deflation of the market value of the stocks or in lower dividends, or the consumer who must pay artificially maintained prices for the commodities, or the workmen and employees who must accept lower wages than they would otherwise be entitled to.

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

But even where the merger succeeds for a time in maintaining par value of its watered stock by artificially controlling the prices of its products, or by paying lower wages, eventually the economic law will reassert itself, the water will be squeezed out of the stock, and millions of dollars will be wiped out. The stock-market crash in 1929 illustrates the force of this statement. The unfortunate situation is that those who were responsible for the inflation will not have to bear the losses of the deflation. The bill must be paid by a helpless, investing, and consuming public. Some consolidations are formed to eliminate cutthroat competition and potential competition. In industries where overhead costs are high and where business is carried on under conditions of rapidly diminishing returns, unfair prices may force the cost of competition below the cost of production. Mergers are also formed to prevent a potential competition which is not yet developed.

The Eastman Kodak Co. and the United Shoe Machinery Co. owe their dominant position mainly to the purchase of patents which they did not intend to use, but which they feared might be used against them. The General Motors Co. of New Jersey bought control of 10 companies making motors and accessories to prevent the development of competition.

Many combinations of business units on the same plane of production under a central control are often formed to obtain a monopoly position. They desire to be able to dictate to both supplier of raw materials and consumer of finished products; such combines are wasteful because they usually buy up inefficient and badly located plants, which are either closed down or maintained at a loss which must be made up by higher prices or lower wages or dividends.

Consolidation has resulted in the concentration of wealth and power in the hands of a few. Eight automobile companies account for 90.9 per cent of the value of that output. Ownership is in many instances divorced from management. The control of a business is often in the hands of a minority holding. If 90 per cent of the securities owned by 30,000 individual investors, none of whom has a holding of more than, say, 1 per cent, an individual owning 10 per cent of the securities can obtain effective control.

The diffusion of joint-stock ownership gives the opportunity for concentration of financial control. This accounts for the fact that a few great financial barons are able, through ownership of a minority holding in various consolidations, to control a large per cent of the wealth and industrial concerns in the United States. These great barons of finance have formed certain industrial blocs where interests are so grouped that they come within the control of one or a few single personalities. These groups or concerns often form an international network.

Therefore, privileged and favored industries and classes have freed themselves from the competitive struggle. The majority of our citizenship, the small firm or corporation, the single manufacturer, the millions of farmers and laboring people, the small merchants, the multitude of individual citizens are still subject to the laws and conditions of competition in the sale of their goods and services. Lincoln said, "A nation half slave and half free can not endure." Neither can a democracy endure whose economic organization is monopolistic for the few and competitive for the masses. The farmer must not only compete with millions of other farmers in the production and sale of his products but, in many instances, he is compelled to compete with the cheap pauper labor of India and Egypt. The laborer is not only compelled to compete with millions of other laborers in the sale of his services but he is also compelled to compete with the thousands of foreigners that are illegally in this country and the ones that come during normal times in a constant stream from Mexico and Canada.

The independent merchant is compelled to compete with thousands of other independent merchants in the sale of his wares. All of these groups are subject to the laws of competition and supply and demand in the sale of their products or services, but when they come to buy the necessities which they require they are compelled to buy in an artificially controlled market and to pay artificially maintained and fixed prices.

Those from whom they buy are protected from foreign competition by a prohibitive tariff and from domestic competition by collusions, agreements, and consolidations. Not only can the privileged classes that are protected by these artificial barriers eliminate with competition but they can also interfere with the law of supply and demand by short selling on the stock market. These favored groups can sell stocks, securities, and products which they do not possess, and in this manner reduce the demand and lower prices to the detriment of the producer. On the other hand, they can purchase stocks, securities, and products from those who do not own them for the purpose of creating an abnormal demand which will artificially raise prices, to the injury of the ultimate consumer.

The next question which presents itself for solution is what remedies must be prescribed to cure these evils. It is apparent that we must either destroy the artificial barriers that have protected a few at the expense of the many or we must undertake to so widen them as to include those now excluded. If it is right for favored groups to eliminate with competition, then it is right for all groups to do likewise. If we must have a protective tariff, then the farmers, laborers, and independent business men must be given the benefit of it, and it must be made to function for them. If favored groups are to be permitted to eliminate with or control domestic competition in the United States, then the farmers and the laboring people must be permitted, through governmental aid, to control the prices of their products and services. When the benefit of artificial restraint and control of prices, production, and output is extended to all classes we will all sink or swim together. The real remedy lies in the destruction of the artificial barriers that have been created by special interests. If certain groups must be subjected to the laws of competition and supply and demand, then all groups must be subjected to these laws, and all classes must be placed on the same plane of economic equality so that none can profit at the expense of the others.

The evil effects of the artificial elimination or restriction of foreign and domestic competition in industry and commerce and the suspension of the law of supply and demand in so far as certain favored industries are concerned can now be readily seen. The ruthless exclusion of all foreign competition, fair and unfair alike, has provoked retaliatory measures on the part of foreign countries. We suddenly find ourselves boycotted commercially, the markets of the world closed to us, our export trade, so essential to large-scale operations where mass production necessitates mass consumption, vanished overnight. Our factories and industries begin to desert us and to locate within the tariff walls of other nations. This has transferred billions of dollars of working capital from our Nation to build up the trade and industry of foreign countries. The elimination of foreign and domestic competition by artificial means has produced large surpluses. "Wasteful surplus productive capacity has appeared most strikingly in the industries where either private conspiracy or mischievous governmental favoritism have offended against economic laws." It has been the contention of economists since the days of Adam Smith that true competition is the only workable method by which equality of opportunity can be preserved, prices maintained at a fair level, and the economic balance of all groups in the Nation maintained. No one has ever attempted to defend cut-throat competition, which is an evil that often lowers wages and the standards of living and was commonly employed in the early days of the trusts as a method of crushing independent competitors. The new school of economic philosophy seeks to discredit the value of true competition by asserting that competition is no longer suitable for our advanced industrial civilization and the machine age. There are only three alternatives for true competition, and they are either private monopoly, government regulation, or government ownership. Private monopoly is contrary to the genius of our free institutions and can never flourish in an atmosphere of liberty and equal opportunities. Government ownership is undesirable, be-



cause it will result in the destruction of private initiative, individual ambition, and personal incentive.

Government regulation of all industries and businesses affected with a public interest is imperative to protect the consumer and the laborer. Under the decisions of the Supreme Court of the United States many large-scale businesses can not be regulated because the courts have declined to construe them as being affected with a public interest. In the large-scale operations, the only method by which the purchasing power of the Nation can be maintained so that mass consumption can make possible mass production is to pass the economies of large-scale production on to the majority of the consuming public either by lower prices, higher wages, greater dividends, or shorter hours of work. In order that the economic balance may be maintained, these economies must be distributed in fair and just proportions to the principal groups of commerce, the stockholders, the laborers, and the consuming public.

Consolidations that have no economic justification for their existence or that were formed for the purpose of artificially controlling prices should be vigorously prosecuted under the terms of the Sherman antitrust law and the Clayton Act. But we must bear in mind that, under Supreme Court decisions, size and large-scale operations do not mean monopoly. If the laws now in existence are unable to deal effectively with unsound consolidations we should strengthen the law by explicitly, and item by item, forbidding the actual processes and methods of monopolies. Not only should we do that but we should also pass adequate legislation to prevent cut-throat competition which often produces monopolies. We should undertake to maintain a system of fair competition in markets where the law of supply and demand is permitted to operate, with restrictions against the waste of natural resources which are essential to the welfare of the Nation and the future happiness of posterity. Fair competition tends to decrease overproduction and surplus because in a true market, not dominated by private monopoly or governmental fixation of prices, when the supply becomes too great for the demand, the demand slackens, prices decrease, and these, in turn, furnish a safe check to slow up production.

On the other hand, when the supply is not sufficient for the market, the demand increases, prices go up, and this in turn stimulates production to the point needed. But in markets where prices of commodities are artificially maintained by agreements between competitors or by combinations in restraint of trade, there is no means by which the producer can determine when his production is excessive in time to avoid the creation of a great surplus. Consequently, where there is no competition, there are times when the productive capacity of industry is increased beyond all proportion to the purchasing power of the consumer.

Another evil effect of the artificial elimination or restriction of true competition is that for a decade a fictitious and unreal value of the watered stock of consolidations was maintained by artificial control of prices above a reasonable level. The public was induced to invest savings in these watered stocks and securities. In order to stimulate the market quotations of these stocks, various artificial expedients were resorted to, such as short selling, control of prices either by collusion, tacit agreements, leadership of a dominant industry, or constant injection of new water into the stocks through issuance of bonus stocks without due regard to the real value of the physical assets of the consolidation. Finally, the natural economic laws reasserted themselves, and in the twinkling of an eye the bubble was pricked. This inflation of stock values was largely stimulated by the exaggerated prosperity talk of the Harding, Coolidge, and Hoover administrations and by the encouragement of the Federal Reserve Board. The deflation was precipitated by the sudden change of policy on the part of the reserve board in suddenly throwing on the financial brakes and thereby accelerating and aggravating the contraction of credit and the return to true values. This extreme action not only served to squeeze the water out of

stocks but depreciated the value of good securities beyond all reason or economic justification. The unfortunate result of this was that the masses of the people sustained the losses and a small group of insiders were enabled to increase their swollen fortunes. An analysis of the income-tax returns for 1928 and 1929 indicates that the speculative turnover, or sales of real estate, stocks, and bonds held less than two years, was comparatively small, while the sales of assets held more than two years set a high record.

Individuals in the higher income brackets evidently anticipated the crash and took advantage of the good market during 1928 and 1929, and disposed of a good proportion of their assets held more than two years, according to the statement of the Wall Street Journal issued on April 16, 1931. This unloading of watered stocks at a tremendous figure by insiders evidently accounts for the fact that during 1929, 511 persons filed income-tax returns showing an income of more than \$1,000,000 each.

The elimination or restriction of competition in favor of certain favored industries and the artificial control of the law of supply and demand by consolidations, agreements, and the manipulation of the stock exchange by speculators have greatly increased the concentration of wealth and power in the hands of a few. The incomes of super-rich have been multiplied by 15 in the last 10 years, while the incomes of skilled workers, small business men, and young professional men have been almost cut in two. This is creating two extreme classes in the United States—the ultra-rich and ultrapoor—and is destroying the middle class that has always formed the backbone of our civilization and society. In times of prosperity, the great combines and the financial magnates are able to reap a bountiful harvest through their artificial control of prices, and in times of inevitable reaction produced by defiance of economic truths this privileged class is able to throw the losses of instability back upon the producers from whom they buy or forward upon the consumer to whom they sell. In some industries, if the power to make the market is exercised through combinations, price fluctuations which are ruinous to producers may be, with a fair degree of regularity, turned into profits for those in control.

The problems that now confront us are as follows:

First. Preserve true competition in real markets and prevent unfair practices and cutthroat competition.

Second. In industries where competition is nonexistent or ineffective, such as exists in public utilities, to bring about effective governmental regulation that will protect labor from unfair wages and the consuming public from discrimination and unreasonable rates, and the investing public from watered stock, and at the same time allow sufficient room for the fair play of private initiative and individual ambition.

Third. Prevent mergers and consolidation where same are economically unsound and unjustified industrially or where the consolidation results in a monopoly.

Fourth. We must be careful not to discourage or penalize legitimate business and industry; an unwise policy toward business and industry will tend to increase unemployment and aggravate the depression. We must not penalize men who, instead of hoarding their wealth or investing it in non-taxable securities and bonds, put their money to work in business and industry which give employment to millions of citizens and increases the general wealth and prosperity of the Nation. There are many business men in this country and many industrial leaders that exhibit the highest form of patriotism and social responsibility by conducting necessary enterprises that furnish employment to millions of citizens at good wages, reasonable hours, and with conditions of work that are unparalleled in the history of industry. They have made possible the production and distribution of a maximum of luxuries and necessities at a minimum price. They represent a natural evolution in the world of industry and business and neither laws nor unwise policies can retard this industrial progress. When we penalize working capital by unreasonable taxation, we discourage legitimate business and cause it to enter the avenues of speculation, or we encourage

it to seek nontaxable investments. We must apply the Jeffersonian principles of equal and exact justice to all classes and groups in our economic life. To capital, business, labor, and agriculture we must preserve the opportunity for a fair return upon labor, capital, investment, brains, energy, and thrift. But we must at all times bear in mind that mass production necessitates mass consumption; that mass consumption is only possible where the purchasing power of the consuming public is maintained and where our export trade is not destroyed by prohibitive tariff legislation. The purchasing power of the consuming public can only be maintained where the economies of large-scale operation are distributed in fair proportions to capital, labor, and agriculture.

Fifth. The regulation of our stock exchange and banking system to prevent gambling and wild speculation and the sale of watered stock and worthless foreign securities and bonds to the investing public. It is impossible to estimate the millions of dollars of watered stock of some American corporations and combines that have been unloaded on the investing public. The international bankers have unloaded on the private investors of America billions of dollars of worthless securities and bonds. Between 1914 and 1930 the American public invested about fifteen billions in foreign loans. In many instances those foreign securities and bonds have depreciated 90 per cent. In many instances banks have invested the funds of depositors in these worthless securities. It is difficult to estimate the loss that will be sustained by the American people, but it will probably run into millions of dollars. It is not right for speculators to depress prices of stocks, bonds, securities, and agricultural products by short selling, and by dishonest manipulation. This can and must be prevented in the interest of all the people and the future stability of our economic life.

Sixth. The prohibition of immigration for a period of five years from every country, and the deportation of aliens that are illegally in the United States. Those that are here should be given a limited time in which to become naturalized. Even President Hoover, in his message to Congress, urges that the administrative restriction of immigration, which has resulted during the past year in the decrease of quota immigrants, should be put upon some permanent basis. There is no justification for immigration to the United States, and the only way to avoid discrimination as to nationalities and races, and the resulting misunderstandings and ill feelings, is to prevent all immigration for a period of five years with the following exceptions:

Seventh. The appropriation of sufficient money to inaugurate immediately needed public improvements and construction. We are in need of many Federal buildings and, in fact, are paying excessive rents in a number of large cities. Many of our towns, such as, for example, Lufkin and Burke, Tex., are in great need of Federal buildings. Many waterways, such as the Sabine-Neches waterways, urgently need deepening and widening, and other improvements. Many Federal highways, such as the Hug-the-Coast Highway and the highway from Beaumont and Orange, Tex., to New Boston through Kirbyville, Jasper, San Augustine, and Center, urgently need improvements, and at the present rate of public improvements it will take us a century to complete the projects already outlined and adopted. There never was a more favorable time to carry forward and stimulate public improvements than now. A well-directed, efficient, and well-organized program, vigorously carried out, will give employment to millions of our citizens, put millions of dollars in circulation, and assist materially in the restoration of public confidence. The money will not be wasted, but will be invested in projects that will repay the Nation many times.

Eighth. The revision of the tariff so as to restore our world trade without permitting foreign nations to dump the products of convict or cheap, pauper labor, upon our markets to the destruction of American labor and industry. The tariff must be made to function for agriculture the same as it does for big business. This can be accomplished by lifting the tariff in favor of farmers who have an exportable surplus, such as the cotton, wheat, and corn farmers, or by

giving to such farmers export debentures so as to give them the same benefits as are derived by privileged classes.

Ninth. The reorganization of our Federal bureaus and departments in order to eliminate with duplication and overlapping and extravagant operations. The burdens of taxation must be lifted from the shoulders of farmers and small home owners, and transferred to the groups and classes that make large incomes and profits. Governments must be operated on a more economical basis. Unjust taxation is destroying agriculture and legitimate business.

Now, Mr. Chairman, permit me to say that there are other measures that can be adopted that will bring relief to the millions of our fellow countrymen that are in great distress. I suggest these as the most important, and I trust that this Congress will subordinate every other consideration to the paramount question of relieving the distress and suffering that exist in every section of our Nation.

The Republican Party has sowed the wind and now it is reaping the whirlwind. [Applause.] It has taken from the farmers and wage earners of this country the fruits of their toil in tariff and taxes to increase the already swollen fortunes of favored and privileged classes. It has allowed great combinations of wealth, through foreign chain enterprises, to destroy independent business and fill their own pockets at the expense of a helpless consuming public. You gentlemen on the Republican side may laugh now at what I am saying, but it will not be so funny to you after the next election. [Applause.]

In conclusion, Mr. Chairman, permit me to say that as I stand here this afternoon in this historic Chamber and before the greatest legislative body in the world, I am reminded of one now gone, whose voice is stilled, whose lips are mute, and whose soul has long since flown to the great beyond. The presence of many of his loyal and devoted friends in this hall evoke the memory of his life and though I know his body is molding in the silent dust, yet it seems to me that his spirit pervades this Capitol where he labored for many years for the interests of his people and during one of the greatest crises that ever confronted this Nation. My father was a true son of east Texas. Brave and courageous, he "never bent the pregnant hinges of his knee that thrift might follow fawning."

Kind and gentle, he was always tolerant of the faults and frailties of mankind. By his brave and courageous public service, by his fearless expressions of convictions, by his unflinching loyalty and devotion for his friends, and by the profound love that he had for his country he left the world better than he found it. Because he thought that he was right he took issues with a Democratic President at a time when public feelings were worked to the highest pitch, and when it meant political suicide. But the people had an abiding faith in the rugged honesty of his character and convictions, and he was returned to Congress by a substantial majority. He had a profound respect and love for this great legislative body, and he believed that it was the bulwark of the people's liberty and the safeguard of their rights. He would never tolerate unjust and careless criticism of the Congress of the United States, and whenever it was attacked he was always ready to break a lance in its behalf.

Mr. Chairman, I do not know how long I shall be permitted to serve in this great body, but whether my service be long or short, distinguished or obscure, it is my fervent hope and sincere wish that I, like my father, may earn the esteem, friendship, and love of the membership of this House. A great opportunity lies before the democracy of this Nation. A great patriot and a brilliant Democrat occupies the Speaker's chair. Our chairmanships and floor leaderships are filled by men of outstanding ability and unquestioned integrity. Under their leaderships we will yet achieve a long-needed victory for the masses of the American citizenship. [Applause.]

[Here the gavel fell.]

Mr. DAVIS. Mr. Chairman, I yield the remainder of my time to the gentleman from New York [Mr. Celler].

The CHAIRMAN. The gentleman from New York is recognized for two minutes.

Mr. CELLER. Mr. Chairman, ladies and gentlemen of the committee, in the diatribe delivered by the gentleman from Pennsylvania the day before yesterday, certain statements appear which can not go unchallenged. The gentleman in question attacked Mr. Paul M. Warburg, distinguished publicist and banker of New York, one of the so-called "fathers" of the present Federal reserve system. The gentleman from Pennsylvania sought to besmear and besmirch his reputation by making the absurd charge that he was responsible for the present depression, and that he is the recipient of the greatest profits as a result of the losses of the farmers and wage earners of the country.

Warburg needs no defense. His record is unassailable. It is a record of fine, patriotic service. It was he who sounded the warning tocsin, and long before, of the coming of the stock-market debacle, admonished the banks and the Federal Reserve Board at Washington that unless credit were restrained and speculation stopped the worst would befall. His warning was like a cry in the wilderness. His prophecy, which was unerring in its accuracy amidst all the fake predictions of prosperity "just around the corner," fell upon deaf ears.

Walter Lippman, whose incisive and penetrating articles have often enlightened me and many other Members of this House, writing in this morning's Herald Tribune, makes some cogent and pertinent remarks concerning the gentleman from Pennsylvania and Mr. Paul M. Warburg, which I herewith insert in the RECORD:

With such an attack as that delivered by Congressman McFADDEN, of Pennsylvania, the President has no need to concern himself. Mr. McFADDEN has long since earned the contempt of honest men, and his speech on Tuesday, charging Mr. Hoover with having plotted with Germany's bankers to betray the country, is such obvious indecency that it requires no answer. All that needs to be done with the speech is to expunge it from the RECORD which it would otherwise defile. It is not possible, I believe, under the Constitution to expunge Mr. McFADDEN.

There was, however, a passage in the speech which does call for brief comment, for it is an attack on a private individual who, unlike the President, can not count upon the instant revulsion of the country against Mr. McFADDEN's libels. I refer to Mr. Paul M. Warburg, who is described in the speech as "the man who engineered the great depression, the man who is the chief beneficiary of the losses sustained by the farmers and the wage earners of this country."

This is a demonstrable falsehood. Far from being the man who "engineered" the great depression, Mr. Warburg has the conspicuous distinction of having warned the country publicly, specifically, and accurately about the impending disaster. He did so on March 7, 1929, seven months before the panic, at the time when the Federal Reserve Bank of New York was vainly endeavoring to persuade Washington to let it put the brakes upon the speculative mania. There is not space here to quote the whole of Mr. Warburg's remarks, but in justice to a man who was a true, a timely, and courageous prophet, these few sentences are worth remembering:

"If a stock-exchange debauch is quickly arrested by prompt and determined action, it is not too much to hope that a shrinkage of inflated stock prices may be brought about without seriously affecting the wider circle of general business. If orgies of unrestrained speculation are permitted to spread too far, however, the ultimate collapse is certain not only to affect the speculators themselves but also to bring about a general depression involving the entire country . . . hesitation in taking effectual means to reassert the Federal reserve system's leadership place a grave responsibility on those in charge of its administration."

Mr. Warburg can stand on his record. It does him honor.

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

#### DEFINITIONS

SECTION 1. As used in this act—

(a) The term "motor vehicle" means any vehicle propelled on the highways by mechanical power, and includes a trailer or semitrailer, but such term shall not include road rollers, road machinery, farm tractors, and vehicles used exclusively upon stationary rails or tracks.

(b) The term "person" means an individual, partnership, corporation, or association.

(c) The term "owner" means the person holding legal title to a motor vehicle, except that in case any motor vehicle is the subject of a conditional sale or mortgage, the conditional vendee or

mortgagor of such motor vehicle, having in such case the right to immediate possession of such motor vehicle, shall be deemed the owner.

(d) The term "director" means the director of vehicles and traffic of the District of Columbia.

(e) The term "dealer" means any person engaged in the business of manufacturing, distributing, or dealing in motor vehicles.

(f) The term "public highway" means any road, street, alley, or way, open to use of the public, as a matter of right, for purposes of vehicular traffic.

(g) The term "trailer" means a vehicle without motive power designed (1) for carrying property or persons wholly on its own structure and (2) for being drawn by a motor vehicle.

(h) The term "semitrailer" means a vehicle of the trailer type so designed and used in conjunction with a motor vehicle that some part of its own weight and that of its own load rests upon or is carried by a motor vehicle.

(i) The term "farm tractor" means a motor vehicle designed and used primarily for drawing implements of agricultural husbandry.

(j) The term "motor cycle" means a motor vehicle of bicycle or tricycle type, except a trailer or semitrailer.

(k) The term "motor bicycle" means a bicycle propelled by a motor attachment.

(l) The term "pneumatic tire" means a tire inflated with compressed air.

(m) The term "solid rubber tire" means a tire made of rubber, other than a pneumatic tire.

(n) The term "metal tire" means a tire the surface of which, in contact with the highway, is wholly or partly of metal or other hard, nonresilient material.

(o) The term "interstate commerce" means commerce between any place in a State or the District of Columbia and any place outside thereof; or between points within the same State or the District of Columbia, but through any place outside thereof.

Mr. BURTNESS. Mr. Chairman, I move to strike out the last word. In view of the questions that I asked the gentleman from Tennessee [Mr. DAVIS] I want to make some observations indicating my notions about this matter.

First, however, I want to commend the select committee on fiscal relations for the work they have accomplished. Certainly it is disappointing, I am sure, not only to them but to Members of the House generally to realize that after diligent study and work accomplished much abuse is heaped upon them by the press of the District of Columbia. I think the job they have done is a mighty fine job. They have collected much information. They have devoted a great deal of time and attention to their study, and they are entitled to the thanks of all their colleagues as well as of the country.

I have felt that three of the bills they have suggested and reported are along the right lines, including the gasoline-tax legislation.

As I understand it, the purpose of this committee has not been so much to impose more general taxes on the District of Columbia or anything of that nature but rather to distribute the taxes in a more equitable and fair manner. So two of the bills that have already been passed are based purely upon the fundamental principle of ability to pay. I refer, of course, to the income-tax bill and the inheritance-tax bill, the enactment of which will do away with the very unsatisfactory method in vogue heretofore of assessing intangibles. I think that plan has the general approval of everyone.

The gasoline-tax bill provides a method by which the user of an automobile pays a tax in proportion to the use he makes of the streets. That appeals, I think, fundamentally to the fairness of every individual; but I regret that when it comes to this last bill I at least can not find the same element of fairness and justice. I do not find in it the same degree of trying to base the tax upon the ability to pay or upon people who are not already assessed sufficiently as is the case with the other three measures. That is why I am not entirely satisfied with it. I concede this bill also has some very good provisions.

Now, what does this bill do? It wipes out the present taxation laws of the District against automobiles. I do not know how badly that law has been abused. I presume it has been abused to some extent, as is the case with every tax law. I note from the report, however, that some 126,000 cars have been assessed, and on the average the tax amounted to something like \$4.75 per car. I think there are some 30,000 cars that have paid only a tax of \$1 plus a \$1

regulation fee, due to a very low value. At any rate, it is true, under the law as it now exists, the theory is that all automobiles are taxed upon their value, the same theory under which general taxation is applied; and the theory has been that this \$1 regulatory fee would simply regulate the use of the automobiles. It is a license fee, and not a tax.

Now, what is proposed here. The proposal is to do away with both, and the bill that is offered is one where the report admits, and the debate here to-day admits, that it is tax based upon one element and one element alone, namely, weight of the car.

As the gentleman from Arkansas [Mr. GLOVER] suggested in the colloquy a little while ago, following what I suggested in a question I asked the gentleman from Tennessee [Mr. DAVIS], there may be serious question as to the constitutionality of that sort of provision. I had not seen the bill when the debate started. Copies were not available until after the debate started. So, of course, I have had no opportunity to examine the decisions; but in applying what seems to be fundamental principles of law with reference to taxation, when you come out boldly but fairly and say that this is a tax, and then take into consideration only weight in determining the amount of such tax, then at least you have a question that is likely to get into the courts.

[Here the gavel fell.]

Mr. BURTNESS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURTNESS. But I am not so much concerned about that. Let us consider the fairness of it, or lack thereof, to the owners of cars.

As was suggested in the colloquy here a little while ago by the gentleman from Wisconsin [Mr. STAFFORD], some of these automobiles of more or less ancient vintage, cars seven or eight years old, are heavier than the automobiles purchased generally now. There are many clerks and employees of the Government here who have been able to buy an automobile. Some of them bought them years ago, and some of these employees have now retired and have only their retirement pay; but they are happy to brush up that old car and take it out on the streets and run it. They may run them only 1,000 or 2,000 miles during a season. They are scarcely fit for long trips. The car is not worth a nickel more in actual value than they could get for it as junk, and yet it gives them a good deal of pleasure to have it and to use it. Under this bill that you are proposing now that kind of a car, practically worthless for sale, will pay some \$15 or \$20 of tax, and will pay practically the same amount of tax as an individual who goes down and buys a new Lincoln, for the weight of some of these cars is pretty nearly the same as the weight of a Lincoln. I am not speaking with exact nicety, but at least I am trying to point out the unfair discrepancy in the situation.

It is all right as a regulatory matter to base a fee solely upon weight. It is a proper consideration for regulation; but it is not, I submit, a proper consideration for an assessment or for a tax on something that is supposed to represent, or at least have some sort of connection with, the individual's ability to pay or the individual's use of income-producing property, or something of that sort.

I hear they say, "Oh, this is a modern tendency." That may be. Neither have I had time during the last few minutes to look up the statutes of the various States. I do know, however, that this sort of bill could not be enacted in the legislature of my own State. It would not appeal to our people.

In North Dakota we have tried to treat the owners fairly. We have taken a combination of three factors—the factory price, horsepower, and weight. Those are all given consideration; a combination of three determines the total tax, including regulation. After the first year it is reduced 10 per cent, the following year there is a further reduction of 10 per cent, and so on each year until the reduction amounts to 50 per cent, as I recall it; and then no matter how long

the car is used that remains as the tax. In this way value is given due consideration. There is another factor which we must take into account when we compare this bill with the laws of States. The reason why an automobile tax is so large in the various States, generally, both with reference to the gasoline tax and the regulatory fees, is because of the desire to establish a system of rural routes throughout the States. That is why the owners of the property have stood for comparatively high rates. They have wanted to build up a system of public roads. But that does not apply in the District of Columbia. I think that is a factor to be taken into consideration.

I approve of the gasoline tax because the owners of cars pay in proportion to the use they make of the roads and streets. We use that to build up and maintain the streets and highways.

Mr. PERKINS. Will the gentleman yield?

Mr. BURTNESS. Yes.

Mr. PERKINS. You admit that the use is a factor in determining the facts?

Mr. BURTNESS. Yes.

Mr. PERKINS. Does not the man who drives a car weighing 10,000 pounds make more use of the road than one who drives one weighing 2,000 pounds?

Mr. BURTNESS. As a regulatory factor I say that weight is a proper factor to take into consideration. This is especially true with trucks. I also contend that a man who drives a car that weighs 8,000 or 9,000 pounds a thousand miles does not use the road any more than one who drives a car of 5,000 pounds 10,000 miles. All factors should be given the consideration which each fairly deserves.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I ask unanimous consent to extend the remarks that I made to-day in the Record, and also to insert a brief statement by Paul Warburg.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BACON. Reserving the right to object, and I will not object, if the gentleman will include the entire statement written by Walter Lipman in this morning's Herald-Tribune.

Mr. CELLER. I will do that.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FREAR. Mr. Chairman, I rise in opposition to the pro forma amendment. There are only two States, so far as appears in the statement of the National Automobile Chamber of Commerce, where the question of value occurs directly. In Iowa, it is the value and net weight. In Minnesota, value; and in North Dakota, the factory price, net weight, horsepower, and age graduated. I presume that is what the gentleman from North Dakota referred to as the decrease in valuation.

Mr. BURTNESS. Yes; largely.

Mr. FREAR. All the rest of the States have the same method of taxation which we have endeavored to put in this bill before us. You would have to change over the whole structure of the bill, so far as the weight would be concerned, unless the gentleman has another plan, and should move to strike out section 7, which has to do with the express personal-property tax, which has not been successful here. It is difficult to see how we could pursue the course he suggests.

Mr. BURTNESS. The gentleman does not mean to imply that there are many States that place the entire assessment on a weight basis alone?

Mr. FREAR. Oh, there may be personal property taxation, but the National Chamber of Commerce has issued this statement as to the fees in the different States. If anyone shall offer an amendment, we will consider it, but we would find it difficult to reach the situation that is expressed here by the gentleman from South Dakota.

Mr. BURTNESS. I hope the gentleman does not understand me to say that weight is not a proper factor for regulation, but there ought to be some proper consideration when



it comes to determine the amount of tax assessed to the value of the car.

Mr. FREAR. I understand that. But you would have to change all this, or otherwise the tax would be too high.

Mr. BURTNESS. That is true. May I suggest an amendment? What does the gentleman think of retaining the personal property tax—striking out section 7, so there would be a tax on the value, and then cut down the regulation fee based on weight very substantially—say, make it 10 or 20 cents on each hundred pounds of weight instead of 50 cents on passenger cars?

Mr. FREAR. We have not given consideration to that. The committee has endeavored to draft a bill which will be an example to the various States. We are all in sympathy with the man who has a small and poor car, but there is no legislation but that will have some injustice. Even the man who makes the assessment may not assess it properly. All those questions come in, but it would seem to me that unless something better be offered to the House, this is the best sort of tax that can be levied. I am in sympathy with the purpose the gentleman has in mind, but I do not see how he will accomplish it without an entire change in the policy of weight taxation to meet wear of pavements a usual consideration.

Mr. DAVIS. Mr. Chairman, I move to strike out the last two words. The gentleman from North Dakota [Mr. BURTNESS] has certain ideas that perhaps are based somewhat on the law in his own State, but the law in his own State with respect to this subject is different from the law in all the other 47 States. North Dakota is the only State in the Union which bases the automobile license fees upon value, weight, and horsepower. With respect to his particular criticism, 10 of the States of the Union, including Delaware, Georgia, Michigan, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, and Wisconsin, have an automobile license tax predicated alone upon weight and do not have any personal property tax on automobiles. There are several other States which have an automobile license tax based solely upon capacity and do not impose any personal-property tax upon automobiles. As suggested by the gentleman from Wisconsin, there is a wide variation in the way that the different States handle the subject, but a vast majority of them recognize either weight or capacity as a criterion upon which license charges should be fixed, because it is a license tax to operate motor vehicles upon the highways and the streets of the cities. The larger and heavier motor vehicles do more harm to the highway, they take up more room, and the jurisdictions generally have reached the conclusion that they should be made to pay in accordance with the damage they do to the highways as far as that can be arrived at. All the modern trend, all of the recent legislative acts on this subject, are in accord with that view. This committee has undertaken to present a modern, up-to-date bill, predicated upon the modern trend and the best thought and in the light of the tests and experiments in this respect. This principle has the full approval of the tax assessor of the District of Columbia.

Mr. FREAR. The reason for this weight and capacity is apparent to everyone because of the wear and tear upon the highways?

Mr. DAVIS. Yes. There is but little difference between weight and capacity, because the larger the bus or the truck the more weight and the more capacity. We have undertaken to impose license fees that would approach but not exceed the average that is imposed in the States of the Union. We believe we have done that in a fair and proper way, fair to the citizens of the District and fair to the Government of the United States.

The Clerk read as follows:

#### EFFECTIVE DATE

SEC. 8. This act shall take effect on January 1 of the first calendar year following the enactment thereof, except that the Commissioners of the District of Columbia are authorized to provide for the registration of motor vehicles under this act, for such calendar year, beginning with the first day of the month preceding such effective date.

Mr. DAVIS. Mr. Chairman, I offer an amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. DAVIS: Page 13, line 2, strike out the word "January" and insert in lieu thereof the word "July."

Mr. DAVIS. Mr. Chairman, at the time this was originally drafted, several months ago, we had in mind that perhaps the bill would become a law before January 1 next. Of course, we now know that it is impossible, and in order to not set too far in the future the effective date of the act, and also in order to conform with the taxable year in the District of Columbia on personal property, which is from July 1 to July 1, I offer this amendment, with the approval of the other members of the committee.

Mr. STAFFORD. The bill was predicated upon the idea that the rates to be paid, based on the various provisions, shall be for the calendar year. Should there not be, in connection with the gentleman's amendment, a provision that if it is to go into effect on July 1 the rate herein provided shall be proportionate?

Mr. DAVIS. I think there is a general provision in the bill to that effect.

Mr. STAFFORD. The bill as I read it provides that the rates shall be for the calendar year.

Mr. DAVIS. Mr. Chairman, perhaps it is better to leave this to be handled in the Senate or in conference. We do not know when the bill may finally pass. I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

Mr. MAPES. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. McMILLAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 5824) to require the registration of motor vehicles in the District of Columbia, to prescribe registration fees based upon the weight of such motor vehicles, and for other purposes, and had directed him to report the same back to the House with the recommendation that it do pass.

Mr. MAPES. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MAPES, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker I would like to ask the gentleman from Illinois if he can tell us whether we will consider the moratorium resolution on to-morrow?

Mr. RAINEY. We expect to take up the moratorium resolution to-morrow. When I left the committee room about an hour ago they thought they would be able to finish it to-night.

Mr. SNELL. Would it be possible for the House to meet at 11 o'clock to-morrow, so that we could be sure to finish on Saturday?

Mr. RAINEY. I think we had better wait until we find out whether we can report the resolution out or not.

Mr. SNELL. It is expected to commence the consideration of that resolution the first thing to-morrow?

Mr. RAINEY. Yes.

Mr. STEAGALL. Mr. Speaker, may I ask the gentleman from Illinois if we might not take up before the holiday recess a bill which has been reported to-day from the Committee on Banking and Currency dealing with the matter of relief of the Federal land banks? This bill has been ordered favorably reported to-day by a unanimous report from the Committee on Banking and Currency. It is one of the most important measures that will come before the

Congress at this session, and it deals with one of the problems that lies more immediately at the door of a large portion of the membership of the House than probably any other problem that confronts us. It would not take more than one day, in my judgment, for all the necessary debate and consideration of this measure in the House. If it is agreeable, we would like to take it up before the recess.

Mr. SNELL. If it is a unanimous report from the committee, I do not see any reason why we could not take it up on Monday, although it was understood that nothing very controversial would be taken up at that time. I know this is an important link in the chain of recommendations made by the President, and if it comes with the unanimous approval of the Committee on Banking and Currency, I should expect it could pass the House without much trouble.

Mr. STEAGALL. I was intending to suggest that if developments happen to be such that the House should not be able to go along to-morrow with the consideration of the moratorium resolution, we might take up the Federal land bank bill on Saturday.

Mr. SNELL. I hope nothing will interfere with taking up the moratorium resolution to-morrow. It has gone out to the country that it will be taken up then, and I feel it is important to do that, but I should think we might take up the gentleman's bill on Monday.

Mr. STEAGALL. It was not in my mind, even remotely, to suggest deferring action on the moratorium resolution; but in the event the committee is not ready with that bill to-morrow, of course, we would like very much to go along with the other, meantime having in mind that we want to finish by Tuesday night, if we can.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. LA GUARDIA. Is this land bank bill far-reaching, or is it simply correcting some small administrative matters?

Mr. STEAGALL. It is both.

Mr. LA GUARDIA. In the past we have considered banking bills too hastily, and a few years later have lived to regret it. It would seem to me that in these times we ought to take a great deal of care and caution, and the Members, I am sure, want to study a bill of that kind very carefully.

Mr. STEAGALL. It is both an important measure and it is also a measure which deals with some minor features of the Federal farm loan act along administrative lines.

Mr. LA GUARDIA. Are there any appropriations connected with it?

Mr. STEAGALL. I was about to say that the bill appropriates out of the Treasury a sum of \$100,000,000, which is to constitute a revolving fund to be drawn on by any of the banks, with the approval of the Federal Farm Loan Board. Let me say to the gentleman from New York that this measure has been under consideration by the Committee on Banking and Currency of the House for quite a while. I introduced a bill substantially the same as the present measure during the last session of Congress, and extended hearings were had on that bill.

At that time the Federal Farm Loan Board and the Treasury Department were not willing to go along in favor of the legislation, and on that account I was unable to secure favorable action. Since then the President has seen fit to include substantially that legislation in the program he promulgated to the country some weeks ago. So the measure has been very fully considered.

Mr. LA GUARDIA. If I may be permitted to say to the gentleman, the fact that there is a unanimous report is not always an argument why the legislation should be considered hurriedly, because we get more information when there is a division and a minority report.

Mr. STEAGALL. I will say that for quite a while there was a division about this legislation, and it was discussed at length in that way.

Mr. BRIGGS. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. BRIGGS. As I understand, this legislation also deals with a moratorium to the great agricultural and farming interests of the United States—that is, the Federal land

banks will be able to relieve them or grant extensions to them in needy cases.

Mr. STEAGALL. I will say to the gentleman, not assenting to the first suggestion, that the bill does not provide for a moratorium; that could not be properly said; but it does set up the necessary machinery or mechanics in the Federal farm loan act to enable the banks to grant extensions where, in the judgment of the officials of the banks, it should be done. We also embody in the bill a provision for the appropriation of \$100,000,000, which we think will equip the banks with sufficient funds to enable officials of the banks to conduct their business in a common-sense way and to avoid working undue and unnecessary hardships upon borrowers.

Mr. BRIGGS. What I meant was that this bill would enable the banks to exercise a discretion which they have no power to do now, namely, to deal with extensions in cases of emergency and need.

Mr. STEAGALL. That is substantially true.

Mr. GOLDER. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. GOLDER. Did I understand the gentleman to say the bill was reported to-day?

Mr. STEAGALL. Yes; it was ordered reported.

Mr. GOLDER. Was there a meeting of the committee to-day?

Mr. STEAGALL. Yes.

Mr. GOLDER. I want to say to the gentleman that as a member of that committee I had no notice of the meeting. While I would not find fault with what was done, I had no notice of that meeting.

Mr. STEAGALL. I am very sorry indeed. It may have been due to an oversight on the part of the new and inexperienced force that now has charge of the affairs of the committee, but I undertook to see that every member had formal notice and was called over the telephone.

Mr. GOLDER. I call this to the gentleman's attention because at least one other member of the committee on this side also had no notice.

Mr. STEAGALL. I am very sorry, indeed. I certainly made every effort to make sure that every member was notified. We met the first day after the committees were made up and possibly we were in a little undue haste.

Mr. RAINEY. May I ask the gentleman whether this bill takes care of both systems of banks, the joint-stock land banks and the Federal land banks?

Mr. STEAGALL. No. This bill does not in any sense deal with or have any bearing upon the joint-stock land banks.

Mr. RAINEY. Did the association of joint-stock land bankers have any notice of these hearings?

Mr. STEAGALL. No; not at this session.

Mr. RAINEY. I notice that Everett Sanders, who represents them, issued a statement not long ago to the effect that remedial relief should also include the joint-stock land banks, and I was wondering whether he had been given any opportunity of appearing before the committee to present the claims of the joint-stock land banks. They have half as much money loaned to the farmers as the Federal land banks, as I remember it, and if you take care of one system that might mean the immediate bankruptcy of banks in the other system.

Mr. STEAGALL. I will say to the gentleman, speaking for myself, that I shall be glad to join with those who view the matter of legislation for the joint-stock land banks as important in working out any solution of that problem we can, and I will gladly devote my time to it as soon as opportunity may be had. However, it involves a very different matter from that which is involved in legislation touching the Federal land banks, the joint-stock land banks being private-investment institutions, entirely different from the Federal land banks. In that connection I will say also to the gentleman—which he knows, of course, better than I do—that all legislative accomplishments have to be worked out along practical lines, and we are trying to deal with the situation in a practical way to get as large a measure of relief for distressed farmers as we can—

Mr. SNELL. Will the gentleman yield for a question along another line?

Mr. STEAGALL. Yes; certainly.

Mr. SNELL. Does the gentleman expect to consider the bill reestablishing the War Finance Board very soon? I feel that is one of the most important proposals before the Congress and that it should receive early consideration.

Mr. STEAGALL. I will say to the gentleman that there is no such proposal before our committee. There is a bill before the committee which has been designated in language somewhat similar to the title of the war finance corporation act, but it is not very closely akin to the War Finance Corporation; it goes much further and takes a much wider range than the War Finance Corporation sought to do. But I will say to the gentleman that the Banking and Currency Committee has taken steps already to start investigation in connection with that legislation, and there is no purpose on the part of the committee to delay consideration of that or any other important legislation before it. We simply have to take up one thing at a time in dealing with matters of such far-reaching effect.

Mr. SNELL. I agree with the gentleman about that, but a great many people think this is one of the most important of any of the pending propositions.

Mr. STEAGALL. I fully agree with that suggestion, and therefore we are going to have to proceed carefully and after thorough investigation of the facts and full understanding of the provisions and purposes of the bill.

Mr. SNELL. I hope the investigation will be thorough, but that action will be taken as quickly as possible.

Mr. SABATH. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. SABATH. I do not know whether the gentleman's attention has been called to a bill introduced by me which the President recommends—H. R. 5116—to create a national relief finance corporation and to provide credits for industries and enterprises in the United States, and for other purposes. It is formed on the plan of the War Finance Corporation, but it is a much broader bill and a much better bill, and is a bill that I have been advocating for nearly two years. I have been seeking the gentleman and trying to secure a hearing on the measure.

Mr. STEAGALL. I will say to the gentleman that I shall be pleased to cooperate with him at any time in securing a hearing before the committee, and I am quite sure they will take up the question of considering the gentleman's measure as soon as practicable to do so.

Mr. SABATH. I have presumed that this is the measure the gentleman has had reference to because it is the only one on the subject that is pending before the gentleman's committee.

Mr. STEAGALL. I had in mind bill No. 5060, known as the Strong bill.

Mr. ABERNETHY. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. ABERNETHY. I am just wondering if the gentleman can give us any assurance that the Banking and Currency Committee is doing something of a constructive nature, as I am sure it is, to take care of the farmers and other people who are being distressed and pressed by these governmental agencies in the way of being foreclosed and other measures of that kind.

Mr. STEAGALL. I will say to the gentleman that the farmers of Alabama are about in the same fix as in his State, and I fully appreciate his desire to secure relief for them. I am just as anxious to secure relief as anyone can be.

Mr. JONES. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. JONES. I would like to suggest in this connection that I think action on the measure which the gentleman has suggested is important in view of the fact that payments on these loans are semiannual and a great many of them come due the first of the year.

Mr. STEAGALL. That is quite true, and that is the thought in the minds of the members of the committee, who are anxious to expedite action on this particular legislation.

Mr. RAINEY. Mr. Speaker, I do not think anything ought to have the right of way over the moratorium bill, and we could not make any agreement now that might interfere with the quick passage of that bill. That is a most important measure. If the Committee on Banking and Currency is unanimous as to this particular measure, and if we can consider it after the moratorium measure, I would be very pleased to see it brought up in the House.

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. RAINEY. Yes.

Mr. BANKHEAD. As I understand, the gentleman from New York [Mr. SNELL] is anxious to cooperate with the Committee on Ways and Means in having consideration of the moratorium bill to-morrow, if possible.

Mr. SNELL. That is our idea about it.

Mr. BANKHEAD. Of course, the gentleman realizes that if the bill were not reported to-night and on the calendar to-morrow, if the technical objection were raised it could not be considered except by unanimous consent.

Mr. SNELL. I doubt if anyone would raise that technical objection.

Mr. BANKHEAD. But the gentleman realizes that it is an objection that could be raised?

Mr. SNELL. I appreciate that we would have to proceed, in that case, by unanimous consent.

Mr. BANKHEAD. Does not the gentleman think that possibly that phase of the parliamentary situation ought to be taken cognizance of this afternoon?

Mr. LAGUARDIA. You could get a rule.

Mr. BANKHEAD. A rule could not be brought up until day after to-morrow.

Mr. SNELL. I think if the gentleman from Illinois [Mr. RAINEY] asked unanimous consent at the present time, the gentleman could get it.

Mr. RAINEY. I will say now that if the moratorium measure is not ready to-morrow to be taken up, I will ask unanimous consent to take up this bill.

Mr. SNELL. I did not know but what the gentleman could get unanimous consent this evening with respect to the moratorium bill.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent now that the chairman of the Ways and Means Committee may have until 12 o'clock to-night to file a report on the moratorium bill.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the chairman of the Ways and Means Committee may have until 12 o'clock to-night to file report on the moratorium bill. Is there objection?

There was no objection.

#### EXTENSION OF REMARKS

Mr. MOUSER. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD a short radio address delivered by David Lawrence, editor of the United States Daily, on last Saturday evening on the subject "Congress and Public Opinion."

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[The matter referred to appears in the Appendix.]

#### JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President for his approval a joint resolution of the House of the following title:

H. J. Res. 72. Joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the Third Olympic Winter Games and of the games of the Tenth Olympiad to be held in the United States in 1932.

## ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 40 minutes p. m.) the House adjourned until to-morrow, Friday, December 18, 1931, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

297. A letter from the Secretary of Navy, transmitting a draft of a bill to permit certain warrant officers to count all active service rendered under temporary appointment as warrant or commissioned officers in the regular Navy or Marine Corps, or as warrant or commissioned officers in the United States Naval Reserve Force or Marine Corps Reserves, or in the National Naval Volunteers, for purpose of promotion to chief warrant rank; to the Committee on Naval Affairs.

298. A letter from the chairman of the Federal Trade Commission, transmitting annual report of the Federal Trade Commission for the fiscal year ending June 30, 1931; to the Committee on Interstate and Foreign Commerce.

299. A letter from the Secretary of War, transmitting a draft of a bill to authorize stoppage of pay of officers, warrant officers, and nurses of the Army, Navy, or Marine Corps under certain conditions, and for other purposes; to the Committee on Military Affairs.

300. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill for the relief of Capt. Chester G. Mayo, Supply Corps, United States Navy; to the Committee on Claims.

301. A letter from the Secretary of the Navy, transmitting a draft of a bill for the relief of LeRoy Moyer, Supply Corps, United States Navy; to the Committee on Claims.

302. A letter from the Secretary of the Navy, transmitting a draft of a bill for the relief of George W. Steele, jr., captain, United States Navy; to the Committee on Claims.

303. A letter from the Secretary of the Navy, transmitting a draft of a bill for the relief of Lieut. M. A. Sprengel, Supply Corps, United States Navy; to the Committee on Claims.

304. A letter from the Secretary of the Navy, transmitting a proposed draft of a bill to provide for the reimbursement of Guillermo Medina, hydrographic surveyor, for the value of personal effects lost in the capsizing of a Navy whaleboat off Galera Island, Gulf of Panama; to the Committee on Claims.

305. A letter from the Secretary of the Navy, transmitting a proposed draft of a bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the naval radio station, Eureka, Calif., on January 17, 1930; to the Committee on Claims.

306. A letter from the Secretary of the Navy, transmitting a proposed draft of a bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the Naval Training Station, Hampton Roads, Va., on February 21, 1927; to the Committee on Claims.

307. A letter from the Secretary of the Navy, transmitting a draft of a bill to provide for the payment of allowances and gratuities to naval prisoners; to the Committee on Naval Affairs.

308. A communication from the President of the United States, transmitting supplemental estimates of appropriations pertaining to the Legislative Establishment, United States Senate, for the fiscal year 1932, in the sum of \$220,000 (H. Doc. No. 194); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 4577. A bill to extend hospital and home facilities to veterans of the Confederate Army and Navy; without amendment (Rept. No. 8). Referred to the Committee of the Whole House on the state of the Union.

Mr. BYRNS: Committee on Appropriations. H. J. Res. 141. Joint resolution to provide additional appropriations for the Veterans' Administration for the fiscal year ending June 30, 1932; without amendment (Rept. No. 6). Referred to the Committee of the Whole House on the state of the Union.

Mr. BYRNS: Committee on Appropriations. H. J. Res. 142. Joint resolution making an additional appropriation for the Employment Service, Department of Labor, for the fiscal year ending June 30, 1932; without amendment (Rept. No. 7). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLLIER: Committee on Ways and Means. H. J. Res. 147. Joint resolution to authorize the postponement of amounts payable to the United States from foreign governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933; without amendment (Rept. No. 9). Referred to the Committee of the Whole House on the state of the Union.

## CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Military Affairs was discharged from the consideration of the bill (H. R. 1905) for the relief of Mary E. Dawley, and the same was referred to the Committee on Claims.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Omitted from the Record of December 16, 1931]

By Mr. SHALLENBERGER: A bill (H. R. 6049) to provide for extending during the present emergency the time of payment of loans made by Federal land banks, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H. R. 6050) to reduce salaries, pay, and wages received from the United States during the calendar years 1932 and 1933; to the Committee on Expenditures in the Executive Departments.

[Submitted December 17, 1931]

By Mr. FULLER: A bill (H. R. 6155) to provide for the commemoration of the Battle of Pea Ridge; to the Committee on Military Affairs.

By Mr. DOUGLASS of Massachusetts: A bill (H. R. 6156) providing for the investigation and survey in Boston Harbor, Mass., of the navigable waters adjacent to the shore lines of Winthrop and East Boston and the reestablishment of Belle Isle Inlet as a navigable waterway, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 6157) to conserve the run-off or flood waters of the Nation in the interest of agriculture and for other economic uses; to the Committee on Agriculture.

By Mr. FULMER: A bill (H. R. 6158) to reduce the rate of interest on loans upon adjusted-service certificates, to provide that such loans may be made immediately after issuance of such certificates, and to provide for the payment of the face value of such certificates to permanently disabled veterans; to the Committee on Ways and Means.

Also, a bill (H. R. 6159) to provide for the conducting of livestock breeding, growing, and feeding experiments in connection with the Sand Hill Station at or near Columbia, Richland County, S. C.; to the Committee on Agriculture.

Also, a bill (H. R. 6160) for the hospitalization of World War veterans in private hospitals; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 6161) to prohibit the sending of unsolicited merchandise through the mails; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 6162) to provide for extending during the present emergency the time of payment of loans made by Federal land banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. GREGORY: A bill (H. R. 6163) to confer additional jurisdiction of the United States Board of Tax Appeals, and for other purposes; to the Committee on Ways and Means.

By Mr. JOHNSON of Washington: A bill (H. R. 6164) to authorize acquisition of complete title to the Puyallup Indian tribal school property at Tacoma, Wash., for Indian sanatorium purposes; to the Committee on Indian Affairs.

By Mr. KENDALL: A bill (H. R. 6165) to provide for the commemoration of the action at Jumonville Camp, in the State of Pennsylvania; to the Committee on Military Affairs.

By Mr. LAMBERTSON: A bill (H. R. 6166) to equalize promotions of retired officers of the Army; to the Committee on Military Affairs.

By Mr. LEAVITT: A bill (H. R. 6167) for the enrollment of children born after November 30, 1921, whose parents or either of them, are enrolled as Indians of the Fort Belknap Indian Reservation, Mont., and for other purposes; to the Committee on Indian Affairs.

By Mr. LOVETTE: A bill (H. R. 6168) to provide for flood control on the Tennessee River, to aid navigation, and develop the resources of the Tennessee Valley; to the Committee on Military Affairs.

By Mrs. NORTON of New Jersey: A bill (H. R. 6169) to authorize the widening of Thirteenth Street NW., in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. REID of Illinois: A bill (H. R. 6170) to improve the Fox River in Illinois and Wisconsin for the purpose of aiding navigation and commerce on the Illinois River and the Mississippi River; to the Committee on Rivers and Harbors.

By Mr. STALKER: A bill (H. R. 6171) proposing to amend the Constitution of the United States to exclude aliens in counting the whole number of persons in each State for apportionment of Representatives among the several States; to the Committee on the Judiciary.

By Mr. STEAGALL: A bill (H. R. 6172) to amend the Federal farm loan act as amended to provide for additional capital for Federal land banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. STEWART: A bill (H. R. 6173) to refund the duty on a carillon of bells imported for Grace Church, Plainfield, N. J.; to the Committee on Ways and Means.

By Mr. TAYLOR of Colorado: A bill (H. R. 6174) to add certain lands to the Gunnison National Forest, Colo.; to the Committee on the Public Lands.

Also, a bill (H. R. 6175) to add certain lands to the Pike National Forest, Colo.; to the Committee on the Public Lands.

Also, a bill (H. R. 6176) to add certain lands to the Cochetopa National Forest in the State of Colorado; to the Committee on the Public Lands.

By Mr. EVANS of California: A bill (H. R. 6177) to increase the pension of persons who have lost the sight of both eyes in line of duty while in the military or naval service of the United States; to the Committee on Pensions.

By Mr. BRUNNER: A bill (H. R. 6178) to increase the compensation of letter carriers in the village-delivery service; to the Committee on the Post Office and Post Roads.

By Mr. BURCH: A bill (H. R. 6179) making supplemental appropriations to provide for emergency construction on certain public highways during the remainder of the fiscal

year ending June 30, 1932, with a view to increasing employment; to the Committee on Appropriations.

By Mr. KELLY of Illinois: A bill (H. R. 6180) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates; to the Committee on Ways and Means.

By Mr. LAMNECK: A bill (H. R. 6181) to amend the Federal reserve act, as amended, to provide for protecting depositors in member banks against loss; to the Committee on Banking and Currency.

By Mr. MCLEOD: A bill (H. R. 6182) to confer additional jurisdiction on the United States Board of Tax Appeals, and for other purposes; to the Committee on Ways and Means.

By Mr. SWEENEY: A bill (H. R. 6183) to promote substitute clerks and carriers; to the Committee on the Post Office and Post Roads.

By Mr. WARREN: A bill (H. R. 6184) for the improvement of the inland waterway from Norfolk, Va., to Beaufort Inlet, N. C.; to the Committee on Rivers and Harbors.

By Mr. WHITLEY: A bill (H. R. 6185) to amend the act relating to the filing of judgments of Federal courts; to the Committee on the Judiciary.

By Mr. TARVER: A bill (H. R. 6186) to authorize an appropriation for the maintenance of the monument grounds belonging to the Government at New Echota; to the Committee on the Library.

By Mr. GREEN: A bill (H. R. 6187) to direct the Secretary of the Treasury to contract for architectural and engineering services in the designing and planning of public buildings; to the Committee on public Buildings and Grounds.

By Mr. EVANS of Montana: A bill (H. R. 6188) to provide for the establishment of a meteorological station at Missoula, Mont.; to the Committee on Agriculture.

By Mr. SIROVICH: Resolution (H. Res. 66) to investigate bankruptcy; to the Committee on Rules.

By Mr. TINKHAM: Resolution (H. Res. 67) for appointment of a select committee to investigate the operation and effect of all laws relating to monopolies in, restraint upon, and unfair practices in interstate or foreign commerce; to the Committee on Rules.

By Mr. McFADDEN: Resolution (H. Res. 68) to provide for an investigation with respect to certain activities of the Federal Reserve Board, Federal reserve banks, and member banks of the Federal reserve system; to the Committee on Rules.

By Mr. REID of Illinois: Resolution (H. Res. 69) relative to violations of the national defense act; to the Committee on Rules.

By Mr. CONDON: Resolution (H. Res. 70) to restore petition of certain bond owners, stockholders, and creditors of the Alabama & New Orleans Transportation Co., requesting a hearing and other relief in the case of Harriet H. Gallagher, petitioner, v. Alabama & New Orleans Transportation Co., a corporation, defendant; petition filed December 13, 1926, now in the custody of the Clerk of the House of Representatives; to the Committee on Rules.

By Mr. SCHAFER: Joint resolution (H. J. Res. 143) to authorize the issuance of a special stamp for Gen. Thaddeus Kosciuszko; to the Committee on the Post Office and Post Roads.

Also, joint resolution (H. J. Res. 144) to authorize October 11 as a holiday for Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. LARSEN: Joint resolution (H. J. Res. 145) for the relief of farmers in the drought and/or storm stricken areas of the United States, and for other purposes; to the Committee on Agriculture.

By Mr. LUDLOW: Joint resolution (H. J. Res. 146) to create a commission on the reorganization of the administrative branch of the Government and the centralization of government; to the Committee on Rules.



By Mr. COLLIER: Joint resolution (H. J. Res. 147) to authorize the postponement of amounts payable to the United States from foreign governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933; to the Committee on Ways and Means.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 6189) granting a pension to Martha C. Jackson; to the Committee on Pensions.

By Mr. BACON: A bill (H. R. 6190) for the relief of Barnett Klass; to the Committee on Military Affairs.

By Mr. BLOOM: A bill (H. R. 6191) to extend the benefits of the employees' compensation act of September 7, 1916, to Mary Elizabeth O'Brien, a former employee of the United States Veterans' Bureau; to the Committee on Claims.

By Mr. BOHN: A bill (H. R. 6192) for the relief of Capt. Joseph H. Hickey, Quartermaster Corps, United States Army; to the Committee on Military Affairs.

Also, a bill (H. R. 6193) for the relief of Cadreau Bros.; to the Committee on Claims.

Also, a bill (H. R. 6194) granting an increase of pension to Sophia M. Guard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6195) for the relief of Harbor Springs, Mich.; to the Committee on Claims.

Also, a bill (H. R. 6196) for the relief of Anna King; to the Committee on Claims.

Also, a bill (H. R. 6197) for the relief of Bridget Patton; to the Committee on Claims.

Also, a bill (H. R. 6198) granting a pension to Ross C. Ramsay; to the Committee on Pensions.

By Mr. BOYLAN: A bill (H. R. 6199) granting an increase of pension to Agnes L. MacIntyre; to the Committee on Pensions.

By Mr. CANNON: A bill (H. R. 6200) granting an increase of pension to Mary E. Gilliland; to the Committee on Invalid Pensions.

By Mr. CHIPERFIELD: A bill (H. R. 6201) granting a retirement annuity to Clyde R. Reiger; to the Committee on the Civil Service.

By Mr. COCHRAN of Missouri: A bill (H. R. 6202) for the relief of William Thomas Martin; to the Committee on Naval Affairs.

By Mr. CONDON: A bill (H. R. 6203) for the relief of George D. McFarland; to the Committee on Military Affairs.

By Mr. CONNOLLY: A bill (H. R. 6204) awarding the distinguished-service cross to Harry Coventry; to the Committee on Military Affairs.

By Mr. COOPER of Ohio: A bill (H. R. 6205) granting an increase of pension to Jermina Conner; to the Committee on Invalid Pensions.

By Mr. CRAWL: A bill (H. R. 6206) for the relief of Isaac Leon Morris; to the Committee on Naval Affairs.

By Mr. CRISP: A bill (H. R. 6207) granting an increase of pension to Thomas Woods; to the Committee on Pensions.

By Mr. CROSSER: A bill (H. R. 6208) for the relief of Barney Rieke; to the Committee on Claims.

By Mr. DAVIS: A bill (H. R. 6209) granting an increase of pension to Edmond D. Judkins; to the Committee on Invalid Pensions.

By Mr. FIESINGER: A bill (H. R. 6210) granting an increase of pension to Emma B. Call; to the Committee on Pensions.

By Mr. FULLER: A bill (H. R. 6211) granting a pension to Edie Sparks; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6212) granting a pension to Margaret Officer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6213) granting an increase of pension to Fronia L. B. Norwood; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H. R. 6214) for the relief of Earl Craddick; to the Committee on Military Affairs.

By Mr. GOSS: A bill (H. R. 6215) for the relief of Morris Spirt; to the Committee on Claims.

Also, a bill (H. R. 6216) for the relief of Peter Griscuolo; to the Committee on Military Affairs.

By Mr. GREGORY: A bill (H. R. 6217) granting a pension to Emma Vallandingham; to the Committee on Invalid Pensions.

By Mr. GREEN: A bill (H. R. 6218) granting a pension to Julia Reynolds; to the Committee on Pensions.

By Mr. GUYER: A bill (H. R. 6219) for the relief of Charles P. Shipley Saddlery & Mercantile Co.; to the Committee on War Claims.

Also, a bill (H. R. 6220) granting an increase of pension to Catherine J. Paul; to the Committee on Invalid Pensions.

By Mr. HOGG of Indiana: A bill (H. R. 6221) granting a pension to Amanda Bastian; to the Committee on Invalid Pensions.

By Mr. HOOPER: A bill (H. R. 6222) for the relief of J. H. McLaughlin; to the Committee on Claims.

By Mr. HOPKINS: A bill (H. R. 6223) for the relief of Joseph Alden Smith; to the Committee on Claims.

By Mr. HOUSTON of Delaware: A bill (H. R. 6224) granting an increase of pension to Emma M. Carrow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6225) granting an increase of pension to Mary A. Quillen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6226) to authorize the presentation of a medal of honor posthumously to the late Henry Clay Drexler; to the Committee on Naval Affairs.

By Mr. JOHNSON of Missouri: A bill (H. R. 6227) granting a pension to Peter Thornton Wolford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6228) granting a pension to Sarah J. Coffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6229) granting a pension to Belle Hockensmith; to the Committee on Pensions.

By Mr. JOHNSON of South Dakota: A bill (H. R. 6230) granting a pension to Rebecca J. Gaddie; to the Committee on Invalid Pensions.

By Mr. KENNEDY: A bill (H. R. 6231) for the relief of Edmund J. Clark; to the Committee on Military Affairs.

By Mr. KLEBERG: A bill (H. R. 6232) granting an increase of pension to Mary V. Kellam; to the Committee on Pensions.

Also, a bill (H. R. 6233) for the relief of Albert T. De Baum, jr.; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 6234) for the relief of William T. Sansom; to the Committee on Military Affairs.

By Mr. LANKFORD of Virginia: A bill (H. R. 6235) for the relief of Dr. Samuel A. Riddick; to the Committee on Claims.

Also, a bill (H. R. 6236) to reimburse certain individuals for damage by reason of loss of oyster rights in Little Bay, Va., due to the taking of the same by the United States for the purpose of operating thereon a naval air training station; to the Committee on Claims.

By Mr. LEA: A bill (H. R. 6237) granting an increase of pension to Eva J. Tucker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6238) granting an increase of pension to Margaret A. Walk; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 6239) granting an increase of pension to Julia S. Greene; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6240) granting an increase of pension to Maria S. Edgerton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6241) granting a pension to Rose D. Carleton; to the Committee on Pensions.

Also, a bill (H. R. 6242) granting an increase of pension to George F. Smith; to the Committee on Pensions.

Also, a bill (H. R. 6243) granting an increase of pension to Mary E. Bunnell; to the Committee on Invalid Pensions.

By Mr. LOVETTE: A bill (H. R. 6244) granting a pension to Ellen Martin Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6245) granting an increase of pension to Sim J. Hyder; to the Committee on Pensions.

Also, a bill (H. R. 6246) granting an increase of pension to Sexton Pierce; to the Committee on Pensions.

Also, a bill (H. R. 6247) granting a pension to James Haley; to the Committee on Pensions.

Also, a bill (H. R. 6248) granting a pension to John K. McIntyre; to the Committee on Pensions.

Also, a bill (H. R. 6249) granting a pension to Candis Christopher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6250) granting a pension to James A. C. Livingston; to the Committee on Pensions.

By Mr. LUCE: A bill (H. R. 6251) for the relief of Napoleon Moran; to the Committee on Naval Affairs.

By Mr. LUDLOW: A bill (H. R. 6252) granting a pension to Mary S. Carter; to the Committee on Pensions.

By Mr. McSWAIN: A bill (H. R. 6253) granting a pension to Lottie G. Allen; to the Committee on Pensions.

Also, a bill (H. R. 6254) granting a pension to Cornelius J. Phillips; to the Committee on Pensions.

Also, a bill (H. R. 6255) for the relief of Samuel Mayes O'Shields; to the Committee on Naval Affairs.

Also, a bill (H. R. 6256) for the relief of Charley Stafford Holland; to the Committee on Naval Affairs.

Also, a bill (H. R. 6257) for the relief of Jesse T. Greene; to the Committee on Military Affairs.

By Mr. MONTET: A bill (H. R. 6258) to provide for a preliminary examination and survey for the enlargement of the navigation canal leading from White Lake to Pecan Island, all in Vermilion Parish, La.; to the Committee on Rivers and Harbors.

By Mr. MOORE of Kentucky: A bill (H. R. 6259) for the relief of Richard C. Jones; to the Committee on Military Affairs.

By Mr. MOUSER: A bill (H. R. 6260) granting a pension to Susan Winnifred Slick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6261) granting an increase of pension to Elizabeth Detwiler; to the Committee on Invalid Pensions.

By Mr. NELSON of Maine: A bill (H. R. 6262) authorizing a preliminary examination and survey of Eastport Harbor, Me.; to the Committee on Rivers and Harbors.

By Mr. PARKER of Georgia: A bill (H. R. 6263) granting a pension to Georgia Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6264) to convey by quitclaim deed from the United States of America to the county of McIntosh in the first congressional district of the State of Georgia a certain island known as Black Beard; to the Committee on the Public Lands.

By Mr. RAMSPECK: A bill (H. R. 6265) granting a pension to William Clark; to the Committee on Pensions.

By Mr. REID of Illinois: A bill (H. R. 6266) granting an increase of pension to Marie C. Thornell; to the Committee on Pensions.

By Mr. SANDERS of Texas: A bill (H. R. 6267) granting a pension to William E. Gilreath; to the Committee on Pensions.

By Mr. SPARKS: A bill (H. R. 6268) granting a pension to Lulu E. Evarts; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 6269) granting an increase of pension to Mary J. Jacobus; to the Committee on Invalid Pensions.

By Mr. SULLIVAN of Pennsylvania: A bill (H. R. 6270) for the relief of Alexander F. Sawhill; to the Committee on Military Affairs.

By Mr. SWING: A bill (H. R. 6271) granting a pension to Clara H. Miller; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Colorado: A bill (H. R. 6272) for the relief of Harry Brawner; to the Committee on Military Affairs.

Also, a bill (H. R. 6273) granting a pension to Nettie Quackenbush; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6274) for the relief of J. Q. Winnett; to the Committee on Claims.

Also, a bill (H. R. 6275) for the relief of Howard McKee; to the Committee on Claims.

Also, a bill (H. R. 6276) for the relief of George Doughty; to the Committee on Claims.

Also, a bill (H. R. 6277) granting an increase of pension to Nelly Sharp Bennet; to the Committee on Pensions.

By Mr. TUCKER: A bill (H. R. 6278) granting an increase of pension to Evan D. Lewis; to the Committee on Pensions.

By Mr. THURSTON: A bill (H. R. 6279) granting an increase of pension to Sarah J. Pitman; to the Committee on Invalid Pensions.

By Mr. TURPIN: A bill (H. R. 6280) granting a pension to William Thomas; to the Committee on Pensions.

Also, a bill (H. R. 6281) for the relief of L. Ton Evans; to the Committee on Claims.

By Mr. WEAVER: A bill (H. R. 6282) granting Harry P. Cooper the privilege of filing application for benefits under the emergency officers' retirement act; to the Committee on Military Affairs.

Also, a bill (H. R. 6283) for the relief of William J. Cocke; to the Committee on War Claims.

By Mr. WELSH of Pennsylvania: A bill (H. R. 6284) for the relief of Oliver Ellison; to the Committee on Military Affairs.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

167. By Mr. HOGG of Indiana: Petition of citizens of Whitley and Huntington Counties, in Indiana, members of the Church of the Brethren for Middle Indiana, urging reduction of armaments and the participation of the United States in the Geneva disarmament conference; to the Committee on Naval Affairs.

168. Also, petition of substitute clerks and carriers of the Detroit post office, urging enactment of H. R. 5110 to guarantee 30 hours of employment each week to substitute employees of the Postal Service; to the Committee on the Post Office and Post Roads.

169. By Mr. KVALE: Petition of 15 residents of Marietta and Madison, Minn., urging immediate cash payment at full face value of adjusted-compensation certificates; to the Committee on Ways and Means.

170. Also, petition of 219 residents of Lac qui Parle County, Minn., urging immediate cash payment at full face value of adjusted-compensation certificates; to the Committee on Ways and Means.

171. By Mr. SMITH of West Virginia: Resolution of the Business Men's Club, of Rainelle and Meadow Bluff district, Rainelle, W. Va., favoring the plan for forming a system of mortgage-discount banks, etc.; to the Committee on Banking and Currency.

172. By Mr. WELCH of California: Petition of sundry citizens of San Francisco, Calif., proposing an increase in duty on antimony oxide, section 336, tariff act, 1930; to the Committee on Ways and Means.

## APPENDIX

Intergovernmental Indebtedness  
REMARKS  
OF  
HON. HENRIK SHIPSTEAD  
OF MINNESOTA  
IN THE SENATE OF THE UNITED STATES  
Thursday, December 17, 1931

ARTICLES BY SENATOR HOWELL, OF NEBRASKA, DEALING  
WITH THE QUESTION OF THE FOREIGN DEBTS AND THE  
PRESENT DEFICIT

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent to have printed in the RECORD certain articles prepared by the junior Senator from Nebraska [Mr. HOWELL] dealing with the question of the foreign debts and the present deficit.

The VICE PRESIDENT. Without objection it is so ordered.

The articles are as follows:

HUGE DEFICIT IN TREASURY LAID TO UNPAID WAR DEBTS—SENATOR HOWELL SAYS EUROPE'S FAILURE TO CARRY BURDEN SHIFTS IT ON UNITED STATES

(By ROBERT B. HOWELL, United States Senator from Nebraska, chairman of the Claims Committee. Written exclusively for Universal Service)

WASHINGTON, November 30.—A huge deficit—\$1,800,000,000 plus. More taxes. This situation confronts the American people with the advent of this 1931 holiday season.

You will be told that it is all due to the business depression. That is an excuse. True, if there had been no business depression, our Treasury might have been equal to the strain.

#### BLAME IS PLACED

But the fact is that this deficit and the resulting increase in taxes, now pending, is chargeable to the failure of European nations to shoulder the \$12,000,000,000 plus of war debts they owed us.

As a consequence, we have had to shoulder these debts—because we borrowed and still owe every dollar we lent Europe.

Our interest charges on this account alone have been averaging \$500,000,000 a year—and there is no such thing as a moratorium for us.

#### NATURAL QUESTION

"But," you may ask, "could these European nations pay?"

Last year these debtor nations spent some \$1,600,000,000 on armaments, or about \$430,000,000 more than was expended annually prior to the war.

We are indeed easy. When European negotiators came to Washington to settle their war debts, we did not insist on their agreeing to pay those debts in full, together with the interest we were paying because of them.

We did not even insist they should agree to pay such interest for a reasonable period of time, even though the principal sums of the debts were to be canceled. We complacently settled with them on this basis.

Their debts, exceeding \$12,000,000,000—or, to be exact, \$12,090,667,000—were canceled, the debtor nations agreeing merely to help us out in paying interest on the money we had borrowed to loan them. Yes; and all they are to pay, taken together, is less than 2½ per cent interest annually for 62 years on this \$12,000,000,000. Then they are through. We must pay the \$12,000,000,000 without help and also the difference between this 2½ per cent interest and the interest we are paying on the money we borrowed to lend them.

#### HOW FIGURES STAND

All they paid us last year was \$240,000,000.

This year they were to pay us \$246,000,000, about half the interest we must pay, but the proposed moratorium will shift this \$246,000,000 to our shoulders, temporarily at least.

The cost of carrying these debts from their dates of settlement up to the end of this proposed moratorium will exceed, in interest

alone, the total payments of every kind and nature made by our European debtors by more than \$2,350,000,000. Do you wonder a deficit has overtaken us?

#### YEARS OF SCHEMING

For years—beginning at most three weeks after the armistice—the chancelleries of Europe have schemed incessantly to bring about the total cancellation of these debts. The success achieved thus far has greatly heartened them.

Of course, this possibility has appealed tremendously to Premier MacDonald, of Great Britain; Premier Laval, of France; and Foreign Minister Grandi, of Italy, who, in turn, have recently visited President Hoover.

There are those who believe that the President's moratorium will prove the hoped-for death knell of all future debt payments to the United States.

#### UP TO TAXPAYERS

In dollars and cents these \$12,000,000,000 of debts were equivalent to an empire, their total approximating the assessed value of Minnesota, North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, Idaho, Nevada, Washington, and Oregon. And so important to you, your children, and your children's children is even the partial interest, which the debtors have promised to pay, that you should ponder well and weigh each settlement that you may determine for yourself whether or not we shall insist upon Europe's continuing to help us pay interest on our huge borrowings because of these debts, or whether we shall further relieve these debtor nations by more reductions or complete cancellation; that is, shoulder the whole burden ourselves.

#### ITALIAN DEBT

WASHINGTON, December 1.—Italy's war debt to the United States was \$1,349,000,000. However, that is not all.

After the last gun was fired in the Great War our Secretary of the Treasury, like the good Santa Claus he was, kept right on loaning Italy as though the war was still on.

#### AUTHORITY QUESTIONED

He did stop long enough to ask the Finance Committee of the Senate to report out a bill approving such loans. This was refused. However, he continued making advances though, so far as Italy was concerned, the Treasury did threaten to stop because of the attitude of an Italian representative at the peace conference, who was insisting on a discussion of an all-around cancellation of intergovernmental debts.

This postwar debt amounts to \$801,000,000, making Italy's total debt on June 15, 1925, \$2,150,000,000 plus.

#### REMAINS UNPAID

Every dollar we loaned Italy was borrowed from our people and remains unpaid. As a consequence it will have cost the United States to carry this Italian debt to the end of the present fiscal year—a period of seven years—some \$624,000,000.

Now, mark you, should the proposed moratorium be ratified all Italy will have helped us out during that time—and she has paid all she agreed to pay—is a total of \$39,821,000. The difference of the two sums will be our net cost of carrying this Italian debt but seven years, or about \$585,000,000.

Italy was to have paid us \$14,706,000 more this year except for the proposed moratorium.

Could Italy have paid more? The following facts will answer that question:

In all, 14.3 per cent of her population is under arms. Last year she expended in armaments (military, naval, and air) \$245,000,000, as against \$142,000,000 in 1913—\$103,000,000 more.

#### HER SETTLEMENT

Italy's debt settlement is equivalent to the cancellation of the principal sum of her debt of \$2,150,000,000 and the ultimate payment in lieu thereof of 1½ per cent interest on the face of that debt for 62 years. Then Italy stops paying, the principal sum of her debt having been canceled.

Moratorium or no moratorium, should we do more for Italy? Is it not about time we should think of the people of the United States?

Why such a settlement? It was based on the high-sounding theory of ability to pay. There had to be some excuse for such indefensible generosity. The same theory was presumably invoked in the case of the Hungarian debt, and, though the amount involved was small, it will be discussed next, as the settlement indicates that the debt commission followed theory and a form of settlement to the point of absurdity.



DECEMBER 17, 1931 CONGRESSIONAL RECORD—APPENDIX

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HUNGARIAN DEBT

WASHINGTON, December 2.—Naturally there was nothing due from Hungary on account of advances made during the war, as she was aligned with our enemies. After the war supplies were afforded Hungary by the United States Government to the amount of \$1,985,000.

Notwithstanding this was a postwar debt, and the small amount thereof a settlement was made with Hungary in the identical form of that with Italy.

THE AGREEMENT

It provided for the cancellation of the principal sum of \$1,985,000 and in lieu thereof the payment of 3.7 per cent interest on the face of this debt for a period of 62 years, after which all payments are to cease as the principal sum of the debt is canceled.

For the period ending with this fiscal year it will have cost the United States Treasury to carry this debt \$883,000 in interest alone, whereas the payments of Hungary for the period will total only \$468,000. Therefore should the proposed moratorium be ratified, the net cost of carrying this debt to the end of the present year will be about \$415,000.

NO JUST REASON

There is no just reason why Hungary should not have paid this debt in full with 4¼ per cent interest within 25 years, as authorized by Congress.

However, the debt commission seems to have been doing a routine job, so they applied the usual form of debt settlement, providing for cancellation, and charged it up to the ability-to-pay theory.

Had the debt commission insisted upon an additional annual payment by Hungary of only a quarter of a cent a year for each of Hungary's inhabitants for the 62 years, Hungary's debt would have been paid in full with 4¼ per cent interest and no cancellation whatever.

NO JUSTIFICATION

Is it to be wondered that deficits will develop with such treatment of our governmental credits and resources?

There is no justification for a moratorium in this case, and certainly after such generous treatment of a debtor suggestions of further reductions or of total cancellation should not be entertained.

BELGIUM'S DEBT

WASHINGTON, December 3.—Belgium's war debt, due the United States, totaled about \$225,000,000. Belgium's postwar debt contracted after the termination of hostilities was about \$258,000,000. The grand total of these two debts was \$483,000,000.

Every dollar loaned Belgium was borrowed by us, our bonds still are outstanding, and they, together with interest, must be paid—the interest semiannually and the \$483,000,000 some time in the future.

GOAT FOR EUROPE

The proposed moratorium is for all the war-worn nations except the United States. This is because every moratorium requires a goat, and so far as Europe is concerned, Uncle Sam has proven the champion goat of all time.

We borrowed money to lend these debtor nations. We must pay whether the debtor nations pay us or not. They are not to pay anything this year, if the proposed moratorium is ratified, and hope to pay nothing next year or thereafter.

THE END IS—WHERE?

There were those who realized we were the goat, when the cancellation propaganda began shortly after the armistice. We took the second degree in this order at the time of the debt settlements, and a third degree is due with the moratorium. The question now is, How high will we consent to go in this "order of the goat"?

As a matter of fact, the Government has gone so far in its generosity to Belgium as to be guilty of a rank injustice to our people. That you may understand this, consider what the settlement with Belgium means to us in dollars and cents.

WHAT IT HAS COST SO FAR

Since 1925 up to the close of this fiscal year it will have cost the American people to carry Belgium's debt, in interest alone, about \$140,000,000, and all Belgium will have paid us during these seven years, in case of a moratorium, will be less than \$32,000,000.

In short, it will have cost us by next July, interest alone, since this debt settlement was concluded—over and above all Belgium's payments—\$108,000,000. But that is not all. This settlement provides for the total cancellation of the debt's principal sum of \$483,000,000.

ONLY A PROMISE

We are never to get a cent for that. It is gone. In lieu thereof, however, Belgium has promised to pay us the equivalent of 2½ per cent interest annually on the face of this debt for 62 years. Then Belgium is through, because, as stated, the principal sum of the debt—\$483,000,000—has been canceled.

By the end of this fiscal year, then, we will have had to foot an interest-deficit loss of \$108,000,000 plus \$483,000,000 canceled, or a total loss of \$591,000,000. Next year we will be out still more, and so on until the end.

However, last year Belgium had under arms more than 7 per cent of her population and was able to find in excess of \$33,000,000 to expend on armaments.

AT THIS RATE

At this rate, during the seven years in question, Belgium will have spent on armaments alone \$230,000,000.

Does it not seem as though she might have paid us more than \$32,000,000 on her debt during this period, inasmuch as we had to pay out \$140,000,000 in interest alone to carry it? Yet European chancelleries are hoping for further reductions, even complete cancellation, because in the offing is the proposed moratorium.

RUMANIA'S DEBT

WASHINGTON, December 4.—Rumania won the war, if that could be said of any nation.

She entered it the size of Iowa, with three times its population. She emerged with added territory equal to Missouri, containing twice the population of that State.

FINE RESOURCES

A wonderful agricultural region, Rumania is in about the same latitude as Wisconsin, traversed by the Danube, touching on the Black Sea, supplemented with forests, fisheries, and great mineral resources—oil, coal, salt, copper, zinc, antimony, and lead.

Because of its resources and the relatively small size of its general war indebtedness—\$267,000,000—Prince Bibesco, Rumania's minister at Washington, is reported to have urged his government not to seek such cancellations as other debtors were demanding but to settle in full on a commercial basis.

Of course, this attitude was keenly resented by our other European debtors. It was, indeed, a bad example at a time when Uncle Sam had been reduced to a mellow, sentimental, and amenable state of mind, such that scarcely a month passed without his using the cancellation stamp for some one.

BIBESCO SHIFTED

Especially was this true of France, and, because of the close relations and military understandings between France and Rumania, Bibesco was promptly transferred to another post.

Rumania's debt to us was a relatively small amount, approximately \$47,000,000. It will be remembered that Rumania was first aligned with the Allies and subsequently with Germany. As a consequence we made no loans to her during the war. All her debt to us was due to borrowings after 1918, and on account of surplus war supplies for the succor of Rumania's people during the reconstruction period.

Notwithstanding these facts, the debt commission canceled this debt upon Rumania's agreement to pay 3.4 per cent thereon for 62 years. Then Rumania is to be through. We never get a dollar of the principal sum of \$47,000,000. It is gone.

Since 1925 this debt settlement has cost the people of the United States in interest alone some \$13,000,000, inasmuch as every dollar loaned was borrowed by us and is still unpaid. However, should the proposed moratorium eventuate during this same 7-year period, Rumania will have paid but \$2,700,000—all she agreed to pay—leaving a net deficit for our people to shoulder of some \$11,000,000, and the end is not yet.

ABSURD GENEROSITY

The absurdity of such generosity under the circumstances may be appreciated when we remember that at the time of this settlement West Virginia's share of our great war debt, based on population, was \$266,000,000, or almost identical with Rumania's war debt—\$267,000,000. Yet Rumania has more than five times the area of West Virginia and nearly twelve times its population.

We are credited with being an opulent nation. Certainly such a debt settlement apparently stamps us a parvenu nation. Ostentatiously, forgetting the change, wasting our substance in dealing with our compeers, a compeer in this case with over 10 per cent of its population under arms, at an annual expense of some \$64,000,000. Certainly this is not a case for further generosity or a moratorium.

GREAT BRITAIN'S DEBT

WASHINGTON, December 5.—The echo of the last gun fired in the Great War had scarcely died away when there was initiated in Europe a project for the cancellation of every one of the war debts due the United States.

It penetrated the chancelleries of that continent, it stalked to the peace table, it reached across the Atlantic and clasped hands with our international bankers, it intrigued our trade associations and chambers of commerce, it instituted an all-enveloping propaganda that worked while many of us slept.

PROJECT TRIUMPHS

Following such a barrage, the British debt commission finally arrived in Washington, and the cancellation project, remarkable as it may seem, largely triumphed.

The British settlement provides for cancellation, except that for 62 years Britain is to help us pay interest on the money we borrowed to lend her—and then Britain is through. This was justified on that new, high-sounding theory of "ability to pay."

Then followed the debacle—provisions for a similar cancellation of every other foreign debt due us, the ability-to-pay theory working in favor of certain nations, but when its application would have been favorable to the United States it was forgotten, evidently upon the ground that having canceled Britain's debt, that of our strongest debtor, we could hardly ask any other nation to accept less favorable terms.

## KEPT ON LOANING

Britain's debt due to war-time loans was \$3,110,000,000. After hostilities ceased we continued right on loaning her, so that her postwar debt was \$1,605,000,000. The total of these war and postwar debts was \$4,715,000,000—more than four thousand seven hundred millions of dollars—so huge a sum that the mind can hardly sense it.

In our settlement with Great Britain we agreed to forgive our debtor—to shoulder this huge debt in her place, provided she would pay us annually something less than 3.7 per cent interest on its face for a period of 62 years. Then Britain is to be through.

So we have kissed good-by to \$4,715,000,000. It's dead horse for us. But that is not all. Every dollar loaned Britain we borrowed, we still owe, and are paying interest thereon.

As a consequence, should the proposed moratorium be approved by Congress, we will have paid by next July, in interest alone, to carry Britain's debt some \$513,000,000 more than Britain will have paid us altogether since the British debt settlement in 1923.

Under any circumstances, however, our loss in principal and interest, on account of this debt alone, will exceed five thousand millions by the end of this year—more than 90 per cent of which we are yet to pay out of future taxation. Moreover, there are further interest losses to come.

## MORE SCALING

Notwithstanding these facts, there is propaganda abroad urging further scaling of Britain's promised payments and still other propaganda for total cancellation; and then the proposed moratorium is imminent.

## EIGHT POSTWAR DEBTS

WASHINGTON, December 6.—There are eight nations among Uncle Sam's debtors, no one of which is a beneficiary of German reparations. Nevertheless, under the proposed moratorium, each and all are to be relieved of any debt payments to the United States during the present fiscal year.

These nations are Austria, Czechoslovakia, Estonia, Finland, Hungary, Lithuania, Latvia, and Poland. No one of them is indebted for any war-time advances. Their loans were made after the termination of hostilities, for other than war purposes.

## TOTAL THREE HUNDRED AND SEVENTY-EIGHT MILLIONS

Their respective debts at the time of settlement ranged from something less than \$2,000,000 in the case of Hungary to Poland's debt of \$182,000,000, totaling altogether some \$378,000,000.

There was much discussion at the time as to whether the Treasury was legally empowered to make these loans because of the limitations contained in the Liberty Loan Act. Then, too, an appeal to the Finance Committee of the Senate for the broadening of the Treasury's authority fell on deaf ears.

## POLITICAL MOTIVE

These advances were urged to mitigate suffering and unemployment. However, there was suggested another purpose in the official correspondence of that period. In a communication to the Treasury Department, of December, 1918, from the special United States commissioner of finance in Europe, Mr. Norman H. Davis, afterwards financial adviser to President Wilson and the American commission to negotiate peace, it was stated:

"From the Treasury's standpoint it is advisable, of course, to cut off as soon as possible our advances to the allied governments. But, on the other hand, from a political standpoint, it may be advisable not to cause too much anxiety just before the peace conference."

Notwithstanding the questioned authority for making these loans and our generosity in extending aid, every one of them has been canceled, the debtor nations agreeing to pay in lieu of the \$378,000,000 the equivalent of a mere 3.5 per cent annually on this sum for a period of 62 years.

## DEBT CANCELED

That is all. The debts are canceled.

Not only must the American people pay this \$378,000,000, but in addition an interest deficit every year, the difference between 3.5 per cent and the interest we must pay, and are now paying, on the money we borrowed to loan them.

From the time of these debt settlements up to the close of the present fiscal year it will have cost the people of the United States to carry this \$378,000,000 the sum of \$129,000,000 in interest alone.

However, should the proposed moratorium become a fact, the total that will have been paid by the seven nations during the same period will be less than \$46,000,000.

Thus, our loss to July of next year would total this \$378,000,000 plus an interest deficit of \$83,000,000, or \$461,000,000. Moreover, this loss will keep on increasing from year to year.

## NEED NO MORATORIUM

The agreements settling these debts provide for the postponement upon request of interest and principal-sum payments. This right is effective now in the case of six of these debtors. However, none has formally applied for such relief to date.

In view of these facts and the generosity of which they are already the beneficiaries, should we volunteer that they pay us nothing this year, though we are confronted with a \$1,800,000,000 deficit, which may be increased to \$2,500,000,000 by the end of this fiscal year?

No private creditor would think of such a suggestion.

## FRENCH DEBT

WASHINGTON, December 7.—Our entry into the great war was preceded by desperate appeals for aid from those who subsequently became our allies.

To save France from the invader we landed 2,000,000 young men upon her shores. However, their equipment and supplies were refused entry without the payment of French tariffs.

## PAID RENT IN TRENCHES

War or no war, sentiment did not interfere with the Government's business. The matter was adjusted by our agreeing to sell nothing during our stay in France.

Of course encampments for our boys were necessary, and trenches where they fought and died. However, for these we paid rent and damages. Such is the back stage and irony of war.

When the conflict was over our boys returned save their fallen comrades, but there remained behind our railroad equipment and the improvements we had made, besides mountains of food and other supplies.

Unfortunately for us, however, because of our agreement respecting tariff duties, there was but one customer for these "left overs"—the French Government.

## PROMISES REPUDIATED

Therefore this \$2,000,000,000 worth of property was turned over to France for promises to pay \$400,000,000, since canceled.

Prior to the armistice, while the enemy was driving on Paris, we loaned, upon the solemn promise of France to repay, tremendous sums aggregating at the time of her debt settlement, \$2,662,000,000.

But that is not all. After the war was over, upon her pleadings for further assistance, her debt was increased by further loans, including property purchased and interest, to a total of \$4,231,000,000.

France with great reluctance finally ratified a debt settlement, which provided:

1. For wiping off the slate this debt of \$4,231,000,000; that is, its cancellation.

2. For the payment in lieu thereof of 2½ per cent of the face of this canceled debt annually for 62 years; France then to be free and clear of all obligations to the United States.

## SHIFTED TO TAXPAYERS

This means the shifting of the payment of this \$4,231,000,000 from France to the shoulders of our people.

As a consequence, from the date of this settlement to the end of the present fiscal year—should the proposed moratorium be ratified—it will have cost the American people to carry this debt, in interest alone, \$1,228,000,000.

In the meantime, however, the payments made by France—and she has paid all she agreed to pay—will total but \$200,000,000, resulting in a net interest deficit of \$1,028,000,000 for the seven years.

Thus far the American people are out of pocket, so far as this French debt is concerned, approximately \$5,260,000,000. Moreover, in years to come this huge loss will increase, bending the backs of American children yet unborn.

## The World Court

## REMARKS

OF

HON. FREDERIC C. WALCOTT

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Thursday, December 17, 1931

REMARKS OF HON. JOHN W. DAVIS AND STATEMENT OF VARIOUS BAR ASSOCIATIONS ON THE QUESTION OF OUR ENTRANCE INTO THE WORLD COURT

Mr. WALCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD certain remarks of Hon. John W. Davis on the question of our entrance into the World Court, and a statement of various bar associations on the same subject.

The VICE PRESIDENT. Without objection, it is so ordered.

The address and statement are as follows:

LEGAL ASSOCIATIONS IN EVERY PART OF THE COUNTRY URGE SENATE RATIFICATION OF WORLD COURT PROTOCOLS, ACCORDING TO SURVEY MADE PUBLIC TO-DAY BY JOHN W. DAVIS

Since the Senate Foreign Relations Committee has agreed to take up the question of reporting these protocols to the Senate at its meeting on December 16 next, the recommendations which groups of lawyers all over the country have recently made become significant. Very recently a New York newspaper, whose consistent opposition to the court is well known, implied that the action of the American Bar Association of a few weeks ago, vig-

ously urging Senate ratification of the pending protocols, was hasty and stimulated. The fact is that the recent action of the American Bar Association constitutes the fifth formal expression made by the association upon the subject of the court in as many different years. Under such circumstances it could hardly be, as the aforesaid newspaper implied, the expression of a small bloc within the organization, determined to commit the group as a whole to a court policy not held by a majority of the membership. My own study of the situation leads me to believe that the recent action of the American Bar Association is substantially a reflection of a country-wide legal sentiment that has been separately expressed by many local legal bodies. Even a brief reference to these will indicate the depth and the comprehensiveness of the consideration which bar associations have given to this question through many years, as evidenced by the result of the significant present survey covering many State and local legal groups.

#### REFERENDA AND RESOLUTIONS BY LARGE CITY BAR ASSOCIATIONS

Many of the legal groups which have recently acted have merely brought up to date action taken by them in previous years. The New York City Bar Association has discussed the question at several meetings. The San Francisco Bar Association has taken two referenda on the question. A number of the associations that have acted have done much more than simply pass a resolution. The Cleveland Bar Association, after thoroughgoing discussion of the question itself, organized a speakers' bureau to furnish speakers without charge to local organizations interested in informing their members upon the merits of the court question and the present status of the negotiations leading to the adherence of the United States.

I personally know of no State, city, county, or local bar association anywhere in the United States whose formal action has resulted in the expression of opposition to the adherence of the United States to the World Court. In addition to the New York City, the Cleveland, and the San Francisco Bar Associations, city bar associations in New Orleans, Denver, Chattanooga, and Little Rock have expressed their belief that the Senate should complete our entrance into the court this winter.

#### STATE BAR ASSOCIATIONS THROUGHOUT COUNTRY URGE RATIFICATION

Since the spring of this year alone the Virginia, Texas, Louisiana, Arkansas, Oregon, Vermont, and Missouri bar associations have called upon the Senate to ratify the protocols. The Vermont Bar Association, with only two sessions, devoted the whole of one of them to a discussion of the World Court situation, opening the meeting to the public because of its realization that this question ought to be widely discussed and more generally understood. The Arkansas Bar Association has not failed, at its last four annual meetings, to urge Senate action. The Connecticut, Minnesota, New York, Tennessee, Ohio, Mississippi, Nebraska, and New Jersey Bar Associations are others that have called upon the Senate to ratify the protocols.

#### MANY COUNTY BAR ASSOCIATIONS ACT

It would take too long to enumerate all the county bar associations that have already dealt with the World Court question or those which, because of their expectation that the question will be settled this winter, have scheduled meetings this winter for discussion of the World Court treaties. Six county bar associations in New Jersey alone have already dealt with the question or intend to; in the State of Washington three have meetings on the court scheduled; the Findlay Bar Association in Ohio, the Starke County Association in Indiana, the Throckmorton County Association in Texas, the Twin Falls Bar Association in Idaho, and the Cascade County Association in Montana, intend to discuss the question at coming meetings. And so the list goes on. Many of these county bar associations have appointed special committees to report on the World Court protocols to their members; others have scheduled debates; still others have, through their directing boards, submitted resolutions to the full organization.

The development of judicial procedure by a permanent court for the adjudication of international disputes will inevitably interest all lawyers who are genuinely concerned in the vast problem of the development of international law. I believe it can be demonstrated that the legal groups of the country have shown a fairly continuous and vigorous interest in this whole question from the time of the First Hague Conference 32 years ago, when our delegates urged the other nations of the world to establish just such a World Court as has now been working successfully for nine years. It seems to me the Members of the Senate can not fail to take account of the fact that a body of competent legal opinion, representing all sections of the country, now, after formal consideration of the merits of the question, is urging the Senate to complete our entry into the court by ratification of the pending protocols. The emphatic recommendation of these legal groups proceeds from a conviction that to refuse ratification of the protocols and thus to defeat the adherence of the United States to the court is to deny a traditionally American ideal, to disregard the recommendations of both national parties, and to invalidate the Senate's own action of 1926 providing for our entrance into the World Court on the conditions that are now satisfied by the pending treaties.

#### THE BAR ASSOCIATIONS AND THE WORLD COURT

Because the completion of the adherence of the United States to the World Court hinges upon legal questions (somewhat too technical to be understood in detail by a wide public), the atti-

tude of the many bar associations that have carefully considered the issues is of more than ordinary significance.

Do the three treaties awaiting ratification satisfy the Senate's 1926 reservations?

Does the Root formula outlining a procedure for the fifth reservation impair or modify the absolute power of veto over advisory opinions reserved by the Senate in its fifth reservation?

To these critical questions, bar associations, local, State, and national, have, after thoroughgoing discussion, furnished an interesting and conclusive body of reply. Many of the bar associations have considered the court question not once but progressively from year to year, following the various stages in the negotiations relating to the adherence of the United States. The American Bar Association, for instance, which in September last specifically urged the Senate's consent to the ratification of the three pending treaties, has formally dealt with the court five times since 1923—when it first passed a resolution urging the adherence of the United States to the court. That fact should sufficiently reply to the New York newspaper, more zealous than informed in its anti-court campaign, that assailed the American Bar Association's most recent action as a stimulated expression not representative of the association's opinion as a whole, and as the triumph of a small bloc within the organization determined to commit the group as a whole to a court policy not held by a majority of the membership. A more detailed statement below shows the deliberation that accompanied the association's most recent action.

The American Foundation has been at some pains to establish how far the question of the court has received consideration by leading legal groups in all parts of the country. The summary, below, of action taken by outstanding State, city, and county bar associations is by no means complete. We may not, in all cases, have been notified of action taken. And since the question at issue has been, since the passage of the Senate's 1926 resolution, different from the general question of adherence which was the issue in the years preceding 1926, we have not included here resolutions in favor of adherence passed in 1923, 1924, and 1925 by bar associations (those of Massachusetts, Boston, Delaware, and others) but have confined ourselves to recent resolutions referring to the present status of the court question and recommending ratification of the three pending protocols.

Mr. Guy Thompson, elected president of the American Bar Association at its September, 1931, meeting, pointed out that the report adopted by the association on September 17, urging Senate ratification of the protocols, had been prepared by a competent group which had the report under consideration for several months preceding its presentation to the association. Copies of this report were sent to the 27,914 members of the American Bar Association approximately 30 days before the association's virtually unanimous indorsement of it on September 17, 1931. A brief summary of the extent to which the American Bar Association has dealt with the World Court situation testifies that the September indorsement was not lightly given:

In 1923 the American Bar Association passed a resolution urging the adherence of the United States to the World Court.

In 1926 the association expressed satisfaction at the passage of the Senate's 1926 resolution providing for the entrance of this country into the court.

In 1927 the association urged the resumption of the negotiations between the United States and the signatory nations of the court in the belief that the "differences . . . between them . . . would seem to be easily capable of reconciliation."

In 1929, very shortly after the publication of the protocol of accession, with Mr. Root's formula, the association expressed its belief that the "provisions of the protocol would seem to provide full protection to the interests of the United States with respect to advisory opinions, and to carry out fully the purport of the Senate reservation . . ."

In 1931 the association at its annual meeting on September 17 last, adopted the report of its committee on international law, quoted in part, below. The whole report consisted of a detailed analysis in 16 closely printed pages, of the situation past and present with regard to the entry of the United States into the World Court, and a summary of the traditional attitude of the American Bar Association toward adherence to the World Court:

"Believing that the Permanent Court of International Justice is the greatest of international instrumentalities for the preservation of peace and of justice between nations, this committee recurs to the approval given to the participation of the Government of the United States in the World Court, upon the terms and conditions set forth in the protocol of accession of the United States. It requests the American Bar Association to reaffirm at its forthcoming session in Atlantic City the action taken at the meeting of the association in Memphis in 1929: That the Government of the United States shall adhere to the permanent court upon the terms and conditions as stated in the protocol of adherence, to which it is a signatory; and the association respectfully requests and earnestly urges the Senate of the United States to advise and consent" to the ratification of the three pending protocols.

#### STATE BAR ASSOCIATIONS

In 1931, during the spring and summer months alone, resolutions urging the Senate to ratify the World Court protocols were passed by the State Bar Associations of Virginia, Texas, Tennessee, Louisiana, and Arkansas; early this fall the Bar Associations of Vermont, Oregon, and Missouri added a clear demand for ratification of the protocols. Other State bar associations, the views of



which were already recorded—the New Jersey and Mississippi Bar Associations—reminded the members of the importance of the question by discussion of it at their annual meetings.

Typical illustrations of the manner in which State bar associations have dealt with the court are furnished by the following:

#### THE ARKANSAS BAR ASSOCIATION

In 1929 this association urged the adherence of the United States to the World Court; in 1930 (in the spring) the association urged President Hoover to send the World Court protocols to the Senate; and in 1931, expressing its belief: "That the protocol of accession, including Mr. Root's formula for the operation of the fifth reservation concerning advisory opinions, accepts the Senate's 1926 reservations subject only to certain procedural agreements and without modification or change of the reservations themselves," and recalling that "The Arkansas Bar Association has, at its last three meetings, urged the adherence of the United States to the World Court," urged "the Senate to give its consent to the ratification of the three protocols at the earliest practicable time in order that the Senate's own resolution of 1926, providing for the adherence of the United States to the permanent court, may become effective."

The Arkansas Bar Association also urged the American Bar Association to bring the subject before the full association at its meeting, as it did, this September.

#### THE CONNECTICUT BAR ASSOCIATION

On December 9, 1929, the date set by President Hoover for the signature by the United States of the three World Court protocols, the Connecticut Bar Association appointed a committee of five members to report to the association on the status of our adherence to the World Court. The report submitted at the annual meeting of the full association six months later carried with it a resolution, which was adopted by the association, stating its "belief that the future economic and commercial growth of the United States would be stimulated and stabilized by the development of a comprehensive system of international law . . . and its further belief that 'ratification by the Senate of the protocols signed by the direction of the President is required both by the self-interest of the United States and by its natural obligations as a member of the community of nations.'"

#### THE ILLINOIS BAR ASSOCIATION

The chairman of the committee on local organization considered the World Court protocols so important that he asked for their inclusion among the topics recommended in the October bulletin for consideration by every local bar association in the State.

#### THE MINNESOTA BAR ASSOCIATION

Very shortly after the draft of the protocol of accession was made public, this State bar association passed the following resolution:

"The association has examined the draft protocol for the adherence of the United States to the Permanent Court of International Justice and is of the opinion—

- "1. That the adherence of the United States is an essential step to the organization of peace and a step desirable in itself;
- "2. That the draft protocol protects in all respects the interests of the United States; and
- "3. That therefore the protocol should be promptly signed and ratified by the United States without further amendment."

#### THE NEW YORK STATE BAR ASSOCIATION

This is another bar association that has dealt with the World Court question at several of its meetings—in 1927, in 1928, and in January, 1931, when it urged the Senate to ratify the World Court protocols because of its belief "that all interests of the United States are properly safeguarded, and the fifth reservation of the Senate, regarding advisory opinions, has been complied with."

In one of its earlier reports the New York State Bar Association, in urging the Senate to complete the adherence of the United States to the World Court, said:

"The attitude of the New York association in this respect could scarce be better phrased than in the language of President Coolidge in his inaugural address:

"Where great principles are involved, where great movements are underway which promise much for the welfare of humanity by reason of the very fact that many other nations have given such movements their actual support, we ought not to withhold our own sanction because of any small and inessential difference, but only upon the ground of the most important and compelling fundamental reasons."

#### THE TENNESSEE BAR ASSOCIATION

The resolution unanimously passed at the June, 1931, meeting of the Tennessee Bar Association reflects the discussion and resolutions that have come from a number of important city bar associations in Tennessee, notably those in Chattanooga, Knoxville, and Johnson City. In "respectfully petitioning the Senate to consent to the ratification of the protocols at the earliest practicable time, so that the Senate's resolution of 1926, providing for the entrance of this country into the World Court, may be made effective and the adherence of the United States to the court achieved," the Tennessee Bar Association recorded its agreement with the Department of State's declaration that by the present protocols the difficulties which caused the 1926 reservations have been met.

#### THE VIRGINIA BAR ASSOCIATION

A former president of the Virginia Bar Association, Mr. Eppa Hunton, jr., president of the Richmond, Fredericksburg & Potomac Railroad, drafted and submitted to the association the resolution which it unanimously indorsed at its meeting on August 1, 1931. The association points out that:

"The three protocols are approved by the administration and by many leaders of both political parties."

The three State bar associations that have acted most recently are:

#### THE OREGON BAR ASSOCIATION

On September 25, 1931, this bar association, recalling its indorsement of ratification of the World Court protocols made in 1929, just after the protocols had been made public, confined itself this time to an "earnest recommendation for the adherence by the United States to the protocols submitted by the President to the Senate."

#### THE VERMONT BAR ASSOCIATION

The whole of one of the October, 1931, sessions of the Vermont Bar Association was devoted to an address on the World Court and to an open forum following the address. After a thorough discussion, a resolution was passed, recalling the fact that the Vermont Bar Association had (so early as 1924) urged the entrance of the United States into the World Court, reviewing the changes in the situation that had taken place since 1924, and urging ratification, without amendment, of the protocols now awaiting the Senate's action.

#### THE MISSOURI BAR ASSOCIATION

This is the State association that has most recently passed a resolution. In urging the Senate to "advise and consent" to the ratification of the three protocols "now pending before the Senate," the association expressed its belief that the World Court is the "greatest of international instrumentalities for the preservation of peace and of justice between nations," expressed its pleasure "in the fact that there is a profound and fixed conviction abroad throughout the world that settlement of disputes or conflicts among nations shall never be sought except by pacific means, which conviction has been crystallized into treaty form by the Kellogg-Briand peace pact, into which nearly all the nations of the world, including the United States of America, have entered," and further expressed its agreement with "the view of Secretary Stimson that our country can safely adhere to the said court."

Other State bar associations that have passed resolutions urging ratification of the World Court protocols include: The Ohio Bar Association, the Louisiana Bar Association, the Mississippi Bar Association, the Nebraska Bar Association, the New Jersey Bar Association, and the Texas Bar Association.

#### CITY BAR ASSOCIATIONS

##### THE NEW YORK CITY BAR ASSOCIATION

Charles Evans Hughes, George W. Wickersham, and John W. Davis are among those who have addressed the several meetings that this association has devoted to consideration of the merits of the World Court question. Its first action was taken on February 28, 1923:

"The Association of the Bar of the City of New York joins in what it believes to be the wise judgment of the American people that the United States ought to become one of the supporters of the Permanent Court for International Justice at The Hague, and that our Government should therefore adhere to the protocol establishing the court in the manner set forth by the President in his message to the Senate of February 24, 1923."

In October, 1929, the association again took definite action urging the completion of the adherence of the United States to the World Court in a resolution that referred to its earlier position, recalled the Senate's 1926 resolution providing for the adherence of the United States to the World Court and, expressing the conviction that the present protocols fully meet the position taken by the Senate, urged their prompt signature (and they were signed a few weeks after the New York City Bar Association's action was taken) and ratification "without further amendment" by the Senate.

#### THE CLEVELAND BAR ASSOCIATION

In addition to passing (in April, 1930) the resolution, quoted in part below, recommending ratification of the protocols, the Cleveland Bar Association has announced two meetings to be held on the World Court alone, has appointed a special "World Court committee" composed of members of the bar and has, through an especially organized "public relations committee" of younger members of the bar, volunteered to supply speakers on the World Court to Cleveland and neighboring organizations. Members of the Cleveland Bar Association long associated with the effort to secure impartial consideration for the World Court question throughout this country are Newton D. Baker, former Justice John H. Clarke, and Walter Flory, who is now president of the Cleveland Bar Association. The Cleveland Bar Association's 1930 resolution expresses "its warm indorsement of the action of the President of the United States in signing the protocols, and its recommendation to the Senate of the United States that the action of the President be ratified to the end that the United States become, upon the terms proposed, a member of the World Court and lend its countenance and assistance to this great attempt to remove from the field of international controversy justiciable disputes by subjecting them to determination in accordance with legal principles and procedures by an eminent, learned, and impartial court of justice," and recalls the fact that "the American Bar Association, the Ohio

State Bar Association, and the Cleveland Association have consistently approved the adherence by the United States to the World Court and have repeatedly declared their approval."

THE SAN FRANCISCO BAR ASSOCIATION

In addition to a resolution passed several years ago, calling for adherence to the World Court, this association has taken two referenda of its members. In 1928 the result of the vote taken was a request that negotiations in the World Court matter be resumed with a view to adjusting the difficulties delaying entrance into the court. In the spring of 1930 the association reported as the result of its second referendum a vote of 154 to 60 in favor of its resolution "that the Bar Association of San Francisco advocates the ratification by the Senate of the protocols providing for the adherence by the United States to the World Court."

THE NEW ORLEANS BAR ASSOCIATION

Pointing out that the conditions which the Senate attached to its 1926 resolution "have been accepted by the member nations of the court in the protocol embodying Mr. Root's formula for the operation of the fifth reservation, as well as the acceptance of all five reservations," the New Orleans Bar Association urged the "unqualified approval by the Senate without unnecessary delay" of the three World Court protocols.

Other city bar associations that have passed resolutions urging ratification of the World Court protocols include the Little Rock Bar Association, Arkansas; the Shreveport Bar Association, Louisiana; the Denver Bar Association, Colorado; the Pawtucket Bar Association, Rhode Island; the Chattanooga Bar Association, Tennessee; the Knoxville Bar Association, Tennessee.

The board of governors of the Philadelphia Lawyers Club has taken similar action.

COUNTY AND OTHER LOCAL BAR ASSOCIATIONS

Since there are over a thousand local bar associations, space does not permit full mention of the replies that have come from county and other local bar associations all over the country indicating the ways in which the World Court question has been brought to the attention of members. In a number of cases the executive committee or the board of governors has discussed the question and has presented its conclusions for the consideration of the full membership; a great many county bar associations now write that the action of the American Bar Association at its annual meeting in September stimulated their own interest and that meetings which they are holding in October, November, and December will be devoted to consideration of the World Court question. Some bar associations—for instance, the Lackawanna Bar Association in Pennsylvania, covering Scranton and its vicinity—have a ruling requiring two meetings on any question upon which formal action is taken and these meetings are being arranged. A number of associations have appointed special committees of three or five to report on the World Court question to the full membership and to present appropriate resolutions. Mention is here made of a few of the more significant ways in which the interest of lawyers in county bar associations has been demonstrated.

COUNTY BAR ASSOCIATIONS IN NEW JERSEY

The fact that the New Jersey Bar Association has passed a resolution strongly urging Senate ratification of the World Court protocols and that it reaffirmed this position at its latest meeting and gave the chief place at its midyear meeting to John W. Davis for a speech on the court, may explain the unusual interest shown by local bar associations in New Jersey in the World Court question.

Resolutions urging ratification of the World Court protocols have been passed by the following New Jersey county associations:

THE HUDSON COUNTY BAR ASSOCIATION

Expressing its agreement with the report which Secretary Stimson made to the President, that "by the present protocols the dangers which seemed to inhere in the rendering of advisory opinions by the court at the time the question was last presented to this Government in 1926 have been entirely removed," the Hudson County Bar Association "urges the Senate to give its consent to the ratification of these three protocols at the earliest practicable time in order that the Senate's resolution of 1926, providing for the adherence of the United States to the permanent court may become effective."

THE MONMOUTH COUNTY BAR ASSOCIATION

Recalling the long-standing support of the American Bar Association and the resolution passed by the New Jersey Bar Association in support of ratification of the World Court protocols, the members of the Monmouth County Bar Association expressed their agreement with the two larger bodies in urging ratification of the World Court protocols.

Two county bar associations in New Jersey have appointed special committees to report on the World Court situation to their members and to submit appropriate resolutions to them—the Cumberland County Bar Association and the Bergen County Bar Association.

Two New Jersey County Bar Associations report that the question will be discussed at their next meetings—the Essex County Bar Association and the Somerset County Bar Association.

OTHER COUNTY BAR ASSOCIATIONS

Resolutions urging Senate ratification of the pending World Court protocols are reported by the following local bar associations as the result of recent meetings:

The Pope County Bar Association, Arkansas; the Owensboro Bar Association, Kentucky; the Madison Parish Bar Association, Louisiana; the Penobscot County Bar Association, Maine; the Middlesex County Bar Association, Massachusetts; the Faribault Bar Association, Minnesota; and the Buffalo County Bar Association, Nebraska.

Stimulated by an article in the Nebraska Law Bulletin, setting forth clearly and accurately the importance of the World Court and the work it has done, the Buffalo County Bar Association devoted one of its meetings this spring to the World Court and thereafter stated its conviction that "one of these protocols, the protocol of accession, including Mr. Root's formula for the operation of the fifth reservation concerning advisory opinions, accepts the Senate's 1926 reservations subject only to certain procedural agreements and without modification or change of the reservations themselves," and urged the Senate to give its consent to the ratification of the three court protocols.

THE JOHNSON COUNTY BAR ASSOCIATION, INDIANA

This association "urges the Indiana Senators to give their individual and combined influence and votes to completing the adherence of the United States to the Permanent Court of International Justice," and names among other reasons for its action "its conviction that the time is ripe to take some decisive step looking to the elimination of resort to war by nations in an effort to settle international disputes; and in the full belief that it is the duty and also within the power of nations as well as of men to adjust such differences as may exist between them, of whatever nature, by peaceful means."

THE WARD COUNTY BAR ASSOCIATION, NORTH DAKOTA

A special meeting (luncheon) of this association was called on September 24 for the sole purpose of ascertaining the views of the members who "were unanimously agreed that entrance into the court was desirable."

The following bar associations report the appointment of special committees to report upon the protocols to their members or describe other ways of bringing the question before the membership:

THE NEW BEDFORD BAR ASSOCIATION, MASSACHUSETTS

The president of this bar association has appointed a committee of three to report on the World Court protocols to the membership; the president is himself the member of a similar committee of three appointed by the New Bedford Chamber of Commerce to report on the World Court situation to that organization.

THE FIFTEENTH JUDICIAL DISTRICT BAR ASSOCIATION, LOUISIANA

The president of this bar association addressed its members on September 19. No provision was made for taking the views of the members. The president, feeling the issue to be of first importance, has personally written to each of the association's members.

THE TWIN FALLS BAR ASSOCIATION, IDAHO—THE CASCADE COUNTY BAR ASSOCIATION, MONTANA

Resolutions have been prepared by a special committee for presentation at the next meeting of the association's membership.

The following bar associations report coming meetings at which the World Court protocols will be discussed: The Niagara Falls Lawyers' Club will have a debate on the subject; the Brooklyn Bar Association, New York City; the Bronx County Bar Association, New York City; the Adams County Bar Association, Pennsylvania; the San Gabriel Bar Association, California; the Lebanon County Bar Association, Pennsylvania; the Trenton Bar Association, Nebraska; the Southern Oregon Bar Association; the Hampden County Bar Association, Massachusetts; the Lackawanna Bar Association, Pennsylvania (the board of governors has discussed the protocols at the October meeting; action, by resolution, will be taken in November at a second meeting); the Volusia County Bar Association, Florida; the Throckmorton County Bar Association, Texas; the Morgan County Bar Association, Illinois; the Cleveland County Bar Association, North Carolina; the Lake County Bar Association, Ohio; the Harlingen County Bar Association, Texas; the Waycross Bar Association, Georgia; the Marion County Bar Association, West Virginia; the Fayetteville Bar Association, West Virginia; the Southern Circuit Bar Association, Georgia; the Washington County Bar Association, Oklahoma; the Hunt County Bar Association, Texas; the Coos County Bar Association, Oregon; the Starke County Bar Association, Indiana; the Findlay Bar Association, Ohio; the Snohomish County Bar Association, Washington.

Depletion Allowances and Federal Taxes

REMARKS

OF

HON. JOHN THOMAS

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Thursday, December 17, 1931

ADDRESS BY DONALD A. CALLAHAN, PRESIDENT OF THE CALLAHAN LEAD-ZINC CO., OF WALLACE, IDAHO

Mr. THOMAS of Idaho. Mr. President, I have an address by Donald A. Callahan, president of the Callahan Lead-Zinc Co., of Wallace, Idaho, on the subject of "Depletion Allow-

ances and Federal Taxes." I ask unanimous consent to have the address printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

DEPLETION ALLOWANCES AND FEDERAL TAXES

(By Donald A. Callahan, president Callahan Lead-Zinc Co., Wallace, Idaho. Since Congress will probably consider the amendment of the present depletion provisions under the Federal income tax law, the mining industry should be in agreement as to the fundamental principles involved)

That amendment of the depletion provisions under the income tax law with relation to mines will be considered by the next Congress seems reasonably certain. Various changes have been proposed, among them a liberalization of the discovery clause, unit depletion, a percentage of gross income and a fixed percentage of net income. The latter method, providing for depletion at the rate of 33 1/3 per cent of the taxpayer's net income, has been embodied in a bill introduced in the House of Representatives by Congressman CHARLES B. TIMBERLAKE, of Colorado. This method was given preference in the preliminary report on depletion by the staff of the Joint Committee on Internal Revenue Taxation, although the staff did not commit itself to the rate.

This being the case, it seems important that the mining industry should be in agreement, at least as to fundamental principles, before the Congress meets in December. In reaching an agreement it may be necessary for individual operators to make what they may consider concessions. It is unlikely that any concessions thus made will have more than a temporary effect, for it should be clear that once a fundamentally sound basis for depletion is arrived at it can not but be beneficial to the entire industry in the long run.

Mining is an uncertain business in its best aspects. It depends upon a great many contingencies for its prosperity. In the first place, of course, there must be metal which can be mined at a profit. Secondly, there must be financial means available to carry through the period of exploration and development. Thirdly, there must be a metal market of sufficient stability to insure a long-term operation of properties once developed. And, lastly, there must be a fundamentally sound basis upon which taxes of local, State and Federal Governments shall be computed.

This latter basis, as far as the entire industry is concerned, should first of all be reasonable, and secondly, it should have a sufficient element of certainty to enable the operator to plan his operations for the future and to determine, when once his ore has been mined and marketed, the amount of tax due his Government without encountering the disturbing factor of reassessment after he has closed his books for the period and made distribution of whatever profits may have been realized.

The provisions of all Federal income tax laws relating to mines have never given the operator a feeling of certainty as to the amount due or of security as to future reassessments. He has been obliged to maintain either whole or part-time staffs of experts to make his tax return in conformity with involved bureau regulations and in accordance with the best information he can secure as to his tax liability. He has been obliged, if he is a prudent operator, to pay out large sums of money in engineering and accounting services in setting up the valuation upon which his depletion allowance is to be based. And, even after providing himself with these safeguards and expending large sums of money in an endeavor to correctly report his income, he has found after several years that he is faced with the claim that the basis for the return has been entirely incorrect and that additional sums must be expended in maintaining his position before the Revenue Bureau. It matters not in the end whether the taxpayer or the Government wins in the controversy. Both have been out a considerable sum of money, and neither has benefited. This is not a fanciful statement. The industry knows that it is the actual experience of a countless number of mine operators since Federal income tax laws were first enacted.

The greater part of these difficulties has arisen over allowance for depletion. The greatest uncertainty which has existed in the minds of mine operators since income tax legislation was begun has been that of the rate of depletion allowed and the manner of ascertaining the allowance. Volumes have been written upon the subject, but it was not until the preliminary report on depletion by the staff of the Joint Committee on Internal Revenue Taxation, popularly known as the Parker report, was released that a definite statement of the workings of the various revenue laws, together with substantiating figures, was placed in the hands of those interested.

That report quite definitely commits the staff to a preference for the allowance of depletion upon a basis of percentage of income. Since that time hearings have been held by the joint committee, and the proponents of the percentage method have laid their case clearly before the committee. The hearings on this subject, which took place in December, 1930, covered the subject from both a theoretical and practical standpoint. Men who had been engaged in the industry for years gave the committee the benefit of their actual experience, and others, who had been in the bureaus of the Government having to do with the administration of the law, set forth clearly the effects of its actual operation. All

agreed that under the present method there were complexities, lack of accuracy, and difficulty of determination of depletion allowances; that these resulted in an excessive cost of administration to the Government; a delayed settlement, costly to both the Government and the taxpayer; and a gross inequality among the taxpayers themselves. On the other hand, they agreed that the percentage method was simple, furnished an accurate and easily determined basis resulting in economy of administration, prompt settlements, and an equality among the taxpayers.

Opposed to these conclusions are three very powerful agencies. First, the bureau which has the administering of the law—a typical example of what we unfortunately may expect in dealing with our far-flung bureaucratic organization of government. The Treasury heads perhaps oppose a change, but that opposition does not rest upon a thorough consideration and understanding of the principles involved. It rests upon the confidence which those heads repose in the men most interested in maintaining the present status—the employees of the bureau who are technically informed as to the matter involved and whose security as public officials rests upon the maintenance of administration as at present. One could expect nothing but opposition from the valuation section. One perhaps can expect nothing but acquiescence upon the part of the political heads of bureaus and departments in the opinions furnished by their technical staffs. That opposition should be considered as powerful only in the event that Congress, having created a bureau of government, abdicates entirely its constitutional duty of seeing to it that the agency which it has created does not transcend its original authority. That authority is to administer such laws as Congress may enact and to refrain from attempting to influence legislation in behalf not of the taxpayer nor the Government, but of itself.

Secondly, there is the opposition of certain mine operators, an opposition which is based upon two compelling considerations: First, that of self interest; and, secondly, that of fear. Self-interest dictates to those who enjoy depletion allowances out of line with those which others in the industry possess; and fear influences those who do not understand and would rather endure the evils they know of than to risk the loss of all depletion allowances.

An examination of the appendix to the published hearings before the joint committee discloses some startling facts. Among these is the following: That the weighted average of the ratio of depletion allowed to net income from property for the seven years from 1922 to 1928 shows that gold and silver had a ratio of 37, copper 60.5, lead and zinc 32.5, iron 41.2, coal 31.6, and sulphur 45.8. It is quite apparent from these averages that certain branches of the industry have been enjoying greater advantages than others. It is easy therefore to understand why certain operators do not give whole-hearted support to a method which will equalize conditions, not by raising the ratio to the point of the highest allowance, but by fixing the ratio at a point which will insure justice to the operator and a proper return of taxes to the Government. The question arises, shall the entire industry allow this question to drift as at present to the point where an indignant Congress, in an endeavor to effect a fair return from those who have enjoyed past benefits, wipes out the depletion provision completely and compels all metal producers to pay a tax upon capital which they have consumed in carrying on their business?

The third agency which is strongly and rather influentially opposed to a change in the present methods is that body of specialists which has become necessary under the present complicated systems of ascertaining tax liability. These people are known as tax consultants or counselors. They either practice independently as other professional men or they are attached permanently to the staffs of large operating companies. In either event their prosperity depends upon two factors—first, a continued necessity for their employment under a system which places the ordinary operator or manager at a disadvantage; and, secondly, their ability to secure depletion allowances. This profession, like every other, has its outstanding representatives and they get the business. They get the business because they achieve results, and every time they achieve a result one of two things must have occurred. Either the Government has been defeated in an attempt to unjustly tax one of its citizens, or an undue advantage has been secured by one taxpayer over all others in that particular line of business, and the Government has suffered in its revenues accordingly. We will presume that in the majority of cases the former element has prevailed and the tax has been finally adjusted to a fair basis as far as the individual taxpayer is concerned. It is plain to be seen that without the intervention of the expert tax man the taxpayer would have suffered a distinct loss. This leads us to inquire: What of the hundreds and perhaps thousands of smaller taxpayers who have not had the means to secure such expert assistance? If the principle applied in the larger case were not sound and capable of being maintained in the courts, if the facts upon which the assessment was based have not been as represented by the Government where larger amounts are involved, is it not reasonable to assume that the Government erred in applying similar principles in all cases? There is no question but that the present system of taxation of incomes from mining operations, particularly as it relates to allowances for depletion, has placed a premium upon the skill possessed by expert tax adjusters and resulted in



injustice to those who are not in a position to secure the services of such men.

This body of tax experts opposes the principle of percentage depletion almost to a man. Privately they may admit that the principle is sound, but their business depends upon a continuance of the present complicated methods, and it is not a part of the ethics of this or any other highly paid profession to join in agitation for correction of a system which incidentally has resulted in tremendous profit to the members of that profession.

Against the opposition of these three strong and more or less organized influences the mining fraternity generally should unite and it should have the support of those who are interested in simple and equitable procedure in tax matters. Experts have agreed that the application of the percentage method in arriving at depletion will not decrease the Government's revenue and many are of the opinion that it will materially increase it. They are agreed likewise that its simplicity of administration will result in a reduction of the costs of collection. In this period of depression our wisest counselors are advising that we start at that end to balance our budgets. It is the reduction of governmental costs and not the levying of additional tribute upon business which will bring our Governments—State and National—back to a sound financial basis. Then, again, it is universally agreed that the application of the percentage method for depletion will mean a steadier income, which will not be affected to so great a degree by recurring periods of prosperity and depression in the mining industry. This argument should carry great weight, for it is the inherent weakness of income taxes generally that they furnish only fair weather revenue. When business is good there is plenty of money coming into the Treasury, and the tendency, unfortunately, of our legislative bodies is to incur new governmental liabilities. When business is poor, the source of our revenue is dried up and we find the Government, as at present, facing a deficit. Percentage depletion, applied to the mining industry, would have a stabilizing influence as far as the revenue from that industry is concerned.

In this connection I quote from an editorial of A. B. Parsons in the January, 1931, issue of Mining and Metallurgy. He was referring to the hearings before the joint committee and says:

"On one point in connection with the proposed percentage system for the calculation of mine depletion allowance on income-tax valuation there is general agreement; the method is definite, understandable, and straightforward. The present so-called 'analytical' method, in actual practice, is indefinite, abstruse, and circuitous. Its administration necessarily is based on official opinion or judgment on matters which are utterly insusceptible of accurate estimation. As to whether the proposed allowance of 33 1/3 per cent on net profits would, in the long run, prove to be a more equitable basis as between the mining industry and other groups of taxpayers is difficult to say. As between individual mining companies, it might be more equitable for the reason that the companies that employ the most adroit, influential, and highly paid tax experts now have a big advantage. Little wonder that the only dissenting voice at the recent congressional hearing on the proposed new system is raised by a group of income-tax counselors. Not that we would do differently were we in their shoes."

It may be that there are some operators who feel that the demand for the application of the percentage principles can not be substantiated and that perhaps the entire allowance of depletion may in a sense be questionable. Perhaps this sentiment has been created by agitation against certain allowances for depletion which have been made in the past. To all these I say that the mine operator owes no apology to anyone for demanding a proper basis for depletion of his ore reserves. That demand rests upon absolute justice, for we are dealing now with an income-tax law and not a tax upon capital. The Government does not in theory tax capital, and yet, if a proper allowance is not made for depletion, that is in effect what it accomplishes as regards the mining industry. The only question with which we as an industry should be concerned is that the application of the principle of depletion shall be so just and equitable that the smallest operator, without intervention of expert assistance, shall receive as just an allowance for his depleted capital as does the mammoth corporation which is able to engage the best trained assistance in the market to establish its claims.

It is not the question of depletion itself which is being questioned. It is the application of that principle to individual cases and separate classes of the mining industry which has aroused suspicion and antagonism in certain quarters. As I said before, this is one of the grave dangers which confronts the industry as a whole and one which the industry should be guarding itself against by agreeing upon the application of a principle which can not possibly result in inequitable application.

There is another grave danger to which I would like to call the attention of the industry, particularly of that portion of the industry which feels that it is doing very well under present conditions and is fearful of a change. That is the danger of the general application of the principle of dilution. This principle has been applied in the past, according to the appendix to the report of Hearings Before the Joint Committee on Internal Revenue Taxation, as follows:

Silver and gold.....	1
Copper.....	None
Lead and zinc.....	125
Iron.....	None
Coal.....	None
Sulphur.....	None

These figures show that in the past dilution has been confined practically to the lead and zinc properties in the tri-State field. What will become of the depletion allowances of those companies which have underestimated their units and secured a high unit rate for depletion if the principle of dilution be generally applied? Not only will the existing depletion allowance melt away under the decreased unit rate but grave complications involving great expense will arise in connection with the allowances which have been made in the immediate past and the allowances to be made in the future. It is generally conceded that dilution is mandatory and not optional. For a just application of the law it should be mandatory. There should be no options in the administration of tax laws.

Let us assume that a property has been estimated as of March 1, 1913, to contain 100,000,000 units of ore. This 100,000,000 units has been held by the bureau to constitute the owner's capital and the whole of his capital. A valuation is assigned to these units under the present arbitrary, scientific, guesswork system which depends on so many unknown and unknowable elements that it is ridiculous. Let us assume, however, that the valuation works out to be \$2,000,000, or 2 cents per unit. The producer proceeds to take depletion at this rate. After some years he has exhausted one-half the original units and has 50,000,000 remaining, or a value for depletion of \$1,000,000.

Now assume that in the course of development of the deposit an additional quantity of ore amounting to another 50,000,000 units is disclosed. He can not be allowed discovery value on the additional ore because we will say it is a continuation of the original ore body. What to do? Either the taxpayer will be denied depletion entirely upon the additional 50,000,000 units disclosed, or the \$1,000,000 balance of the original valuation must be spread or "diluted" to cover the 100,000,000 units now remaining at a new depletion rate of 1 cent per unit.

I am not going to discuss the complications which unquestionably will arise from the general application of the principle of dilution. I am merely calling attention to the fact that those who feel that they rest secure with either original or discovery allowances for depletion may well consider the danger of the universal application of the principle of dilution and its consequent loss of unit allowance and expense of final adjustment. It is alarming, to say the least, to consider what may occur should the principle of dilution be recognized finally as mandatory, and settlements which have been considered final reopened for a revaluation of the units which serve as the base for depletion.

Should this question of depletion allowance be considered by the next Congress, the industry as a whole can look forward to several elements which should be taken into consideration and which should result in a final determination which for the long pull will be to its advantage. They are—first, a necessity for simplification of governmental machinery in order to reduce costs; second, the establishment of a basis which will insure a more equitable method of taxation; and, third, the desire on the part of the Congress, after the recent unhappy experience of the Government, to bring about a more stable revenue from the mining industry. These elements should all be resolved in favor of application of the percentage system. They were recognized in the preliminary report on depletion by the staff of the joint committee. They seem to be thoroughly understood by the members of the committee itself in hearings held last December. As a matter of fact, several members of the committee expressed themselves as favorable to the change, the only question in their minds being the rate to be used.

I have sought to lay stress upon the dangers which confront the industry in this connection. These are troubled times and the question of revenue is one with which the Congress must be primarily concerned for there is a Budget to be balanced in the face of unprecedented demands for Government aid. We have in our favor the precedents which the Congress itself has established—first, its recognition of the right to depletion based upon the theory that depletion is a return of capital to the owner; second, the recognition of the fact that the difficulties of valuation have made it necessary to grant depletion because of new discoveries; and, third, the application of the principle of percentage depletion to the petroleum industry. In addition to this, the application of the principle in Canada and its successful working out furnishes a most convincing argument. With these factors in favor of a scientific and equitable solution of this involved question, it is unthinkable that individual members of the mining fraternity will consider what they look upon as an immediate advantage in withholding their support. They must realize that congressional approval of a system which has been inequitable as among operators and at the same time has resulted in loss to the Government in revenue, can not be expected. Far better to join in a unanimous demand for the working out of a system which will insure stable revenue, do away with involved administrative procedure, and result in the object which is of primary concern—a return to the industry generally of its capital tax free.

Water-Power Development

REMARKS

OF

HON. WESLEY L. JONES

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, December 17, 1931

ADDRESS BY HON. RALPH B. WILLIAMSON, VICE CHAIRMAN  
FEDERAL POWER COMMISSION, BEFORE CONVENTION OF  
ASSOCIATED WESTERN STATES ENGINEERS AT SACRA-  
MENTO, CALIF., OCTOBER 28, 1931

Mr. JONES. Mr. President, I have an address by Hon. Ralph B. Williamson, vice chairman of the Federal Power Commission, delivered before the convention of Associated Western States Engineers at Sacramento, California, on October 28, 1931. It discusses the question of Federal and State policies with respect to water-power development. It gives especially the Federal viewpoint. I ask unanimous consent that it may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

Let me say in the beginning that the purpose of my attending this conference is not primarily to deliver this speech. I have no particular message to bring to you. While I am personally gratified by the honor of appearing upon your program, yet I want to convey to you now that my visit is merely an expression of interest of the Federal Power Commission as a whole in the problems of the West dealing with power development. I am sure that every other member of the power commission envies me this opportunity to make the personal contact with the State officers charged immediately with the control of the water resources of their respective States.

The commission believes in the closest cooperation between these public agencies, and, of course, personal contact, personal acquaintance, and first-hand knowledge of existing conditions are the first essentials in that cooperation. Commissioner Garsaud's visit of two months this summer inspecting the projects of our western licensees and familiarizing himself with western conditions was in keeping with this program.

We feel that the objectives of the Federal Power Commission and the objectives of this group of engineers, the administrative officers of our respective branches of Government, are identical in so far as our efforts are directed toward the conserving of the water resources of the country, and the causing of them to be put to work in the interests of the people who are or will be the inhabitants of the respective sections.

The subject assigned to me is the Federal Viewpoint and Policies with Respect to the Control of Water and the Development of Power. The arrangement of the program indicates, however, that it is desired that the subject be discussed in its relation to the State's interest in that resource, and such discussion is timely.

The possibility of conflict between the States and the Federal Government is necessarily inherent in the very form of the Government prescribed in our Constitution. The more or less elaborate machinery provided for the dual system in our Constitution is probably the reason why Anatole France referred to it as the greatest invention of governmental machinery in the history of the world. It is what makes this Republic different from others which have gone before, and in so far as it serves the purpose of protecting the interests of the people it must, of course, be preserved.

The question of the extent of the power of the units making up this dual form of government is purely a political or governmental question. While it has been the subject of some of the most fundamental controversies in history, the merits of the arguments for State rights or for greater centralization of power in the Federal Government is not the subject for discussion here. We, as administrative officers, are not so much concerned with the theory of this question as we are with the practical and effective administration of laws which may in themselves furnish the basis for legalistic conflict.

I was much impressed with the way in which Mr. Harding handled the subject this morning, referring in his discussion to the overlapping of jurisdiction or authority and defining the situation as one in which conflict does not necessarily exist but might easily arise.

In the argument which wages over the question of States' rights and Federal centralization the statesmen of each group base their position upon the belief that the interests of the people can best be served through the agency respectively advocated. Therefore, the problem before the administrative officers of the States and the Federal Government is to so administer overlapping laws or overlapping jurisdiction as to avoid any conflict which would defeat this purpose.

In a very few branches of governmental activity is the legal or economic line of demarcation between the State and Federal control less clearly drawn than that dealing with the subject of the use of water for hydroelectric development. For that reason, in this field is the greatest opportunity for the cooperative development of a satisfactory legislative and administrative machinery for the protection of the rights of the whole people, not alone in preserving for them the natural resources still under the control of the States or of the Federal Government but in encouraging development of such resources in their common interest.

The Federal Government approaches the matter of control of water for hydroelectric purposes from two avenues: First, by reason of the ownership of lands containing power possibilities; and, second, by such control as it may have over the navigable waters of the United States by virtue of the commerce clause of the Constitution.

Naturally, most of the applications for power development coming before the Federal Power Commission from the Western States are based upon the Government's ownership of the land, whereas, a large percentage of the applications coming from the Eastern States involve navigable waters, and it is the Federal policy with respect to power development in the first division which is of most interest to those assembled here.

In discussing a Federal policy with regard to such matters, it must be recognized that there may be a distinction between the policy as reflected in the legislation covering the matter and the policy of the administrative body authorized to carry out the purposes of such legislation. The former policy is a more or less fixed one, whereas, the latter policy may change with a change in personnel. While, theoretically, this should not be true, as a practical matter we know that the personal views of the individuals composing the administrative body often produce wide variance in legal interpretation of legislative policies.

For the purposes of this discussion, however, we may say that there are certain fundamental principles relative to the subject rather definitely expressed in the Federal water power act itself, and it is this policy, thus clearly disclosed, that can properly be said to represent the Federal viewpoint. The legislative body is the proper and only authoritative agency to define the policy of any of its legislation as regards the State and Federal fields of action.

The reading of the Federal water power act suggests to me that Congress in this legislation, perhaps more than in any piece of legislation upon its records upon similar subjects, has sought to protect and preserve to the States not only the rights, privileges, and benefits of the State in the resource itself, but its power through local governmental action to regulate and control the resources thus developed to the advantage of its citizens.

Let us examine the act for specific support of these assertions.

First, in section 9 (b) of the act, satisfactory evidence of compliance by the applicant with all of the requirements of the laws of the State or States within which the proposed project is to be located, with respect to beds and banks, appropriation, diversion, and use of water for power purposes, as well as with respect to the right of the applicant to engage in the business within that State is made a condition precedent to the granting of any license by the commission.

In most instances, of course, a licensed power project in any of the Western States requires coordinate use of the State's water and the Federal Government's land, and Congress has apparently recognized the necessity of cooperation between the States and the Federal Government in development of plans for the utilization of such combined resources in the production of hydroelectric energy. While it has been suggested that this may produce, under certain circumstances, or possibly already has produced, a situation where a deadlock exists so far as the development of hydroelectric power is concerned, at least, it can be said that in this particular respect the Federal water power act has recognized and protected the interests of the State in this particular field.

With regard to the second phase of the State's authority in this matter, i. e., the regulatory phase, section 19 of the Federal water power act is interesting. In this section the act confers upon any State which has provided a commission or other authority, the exclusive jurisdiction to regulate rates, services, and securities of any Federal licensee developing such hydroelectric power project and distributing its product for sale within the State. True, section 20 vests in the United States the power of regulation of rates, services, and securities of the licensee's product, which either through the licensee, a subsidiary corporation, or a customer, finds its way into interstate commerce, but this is not a limitation upon the State's jurisdiction, but a power, which, in any event, is outside of the scope of State jurisdiction. It is a phase of regulation exclusively within the jurisdiction of the United States, the exercise of which in the common interest is undoubtedly advisable.

Viewing the act from the more immediate material interest of the State, it is apparent that Congress pursued the same policy of recognition in other sections of the act. For example, section 10 (e) reserves to the Government the right of expropriation to the Government of any excessive profits of operation only until such time as the States shall make provision for the preventing of excessive profits or the expropriation thereof to themselves.

Again, in section 14, the State is given the power to acquire, through condemnation, upon payment of just compensation, any power project licensed within that State by the Federal Power Commission.



By section 13, of all the proceeds received by the United States from charges levied by the Federal Power Commission under the authority of this section, including the rentals of public lands involved, 37½ per cent is distributed to the State within which such power development is located. It is interesting to note that up to and including June 30, 1931, there has been paid to the States under this section the sum of \$274,100.51. This sum has been annually increasing, from about \$6,000 in 1922 to \$70,567.21 for the year ending June 30, 1931. Not only that, but by the same section it is provided that 50 per cent of the charges made for the use and occupancy of public lands and reservations, other than Indian reservations, is to be paid into the reclamation fund for further development of the agricultural lands within the States where such projects are situated, and inasmuch as to date the activities of the reclamation division have been within the States represented here a continuation of this policy can only be beneficial to general development of your respective States.

While the foregoing are the principal recognitions of the States' rights as set out in the Federal Water Power Act, there are many other provisions which take into consideration the rights of the States and preserve to the States the exercise of those rights. For instance, section 4 (d) of the act requires full publicity of the proposed project before the resource is tied up by license. Section 7 gives a preference right of license to States and municipalities whose plans provide for the development of the public interest of water resources of the region, and where such State or municipality avails itself of this preference, and shows itself able and willing to carry out the development to the best public interest in such resource, it is provided by section 10 (e) that no charge against such State or municipality for the use of such public resources of the United States shall be made unless power is sold at a profit.

There is another provision of the act which is of immense importance to the western States. It is paragraph (a) of section 10, which requires the Federal Power Commission to consider only such projects as worthy of receiving a license as can be best adapted to a comprehensive scheme of improvement and utilization of the stream, not only for the purposes of navigation and power development, but for other beneficial public uses.

In the West we know that of the basic industries, agriculture is the most important in point of future development if not at present in point of profit. Agriculture here means irrigation, and in many States irrigation and power development are antagonistic. While the present power commission has not had occasion to announce a policy in this respect, I know I am safe in assuring you that it will recognize the principle that in these western States every opportunity should be embraced to permit the fullest irrigation expansion. It will recognize that in many cases a joint development of irrigation and power makes for the largest use for both purposes, and I am sure such a policy will be fully encouraged on any stream when such situation presents itself.

While it is not of such immediate interest to this body, the States and the people within the States will receive great benefits from the activities of the Federal Power Commission in carrying out the authority specified in section 4 of the act. Briefly, it is to carry on investigations, collect and record data concerning the water-power industry and its relation to other industries, the fixing of valuation and net investment of projects constructed under Federal license, the establishment of accounting systems which may lead, of course, to uniform practices, and in all of this work the Federal Power Commission is specifically authorized in the act to cooperate with executive departments and other agencies of the various States.

The present commission is now conducting a rather extensive study under this section, and feels that a real contribution can be made to the present general knowledge of the subject in many of its phases now but guessed at. This feature of our work will be of great importance to the States in their regulatory activities.

While it is apparent, as before stated, and as appears from this recital of a few of the provisions of the act, that Congress was generous in its recognition of States' interest and welfare, both material and as far as the principles of self-government were concerned, yet at the same time, the Federal Government has laid down in the act very clearly a policy of protecting also the Federal interest in those resources, as well as establishing a definite policy for the protection and development of navigation in those streams where interstate commerce is, or may be, a matter of public benefit.

In the use of the terms "State's interest" and "Federal interest" and in the use of the word "conflict" in referring to these interests, we have been using terms common to former discussions of the subject, and assume that in this field the same old historic antagonism exists between these two agencies.

As a matter of fact, when we speak of the Federal interest we can only properly refer to the interest of the people of the United States as a whole as distinguished from the different groups of that whole segregated within the geographical boundaries known as State lines.

While there are many forceful reasons why the principle of State rights, as far as they pertain to the governmental machinery, must be preserved, much less can be said for the application of this doctrine when it is advanced for the purpose of preserving to one group of people some particular material advantage which it may have by reason of the chance location of public resources within certain arbitrary boundaries originally fixed for purely governmental reasons.

The doctrine of State rights as a political doctrine was intended by the framers of our Constitution to assist in bringing about a proper machinery of government for the benefit of the whole people. The dual form of government as a vehicle for allocating wealth was not in the minds of our first statesmen, I am sure. I am inclined to think, therefore, that when we discuss the question of development and control of the hydroelectric industry we are liable to take the political doctrines of the division of rights between the State and Federal Government into a field where it was never intended to carry much weight, and where its stressing may seriously interfere with the best interests of the people, both of the States and of the United States as a whole.

Considering the question from this angle, perhaps a different light can be cast upon the one clause of the Federal water power act, which has caused the greatest opposition from the States. This is the recapture clause, set forth in sections 14 and 15, enabling the United States to recover possession of power sites and of the project works on the basis of actual legitimate investment in such project.

The advantage to the State as a result of this procedure might, however, prove to more than offset any feared adverse results at the end of the license period of 50 years, if such recapture clause should then be enforced. The basis of such recapture, if at all, would be the net investment in the project, the method of determining which is fully outlined in the act, and based upon the actual legitimate cost of the project plus betterments and additions and less depreciation and other reserves.

While there is nothing in the act to force a policy of public ownership upon the Federal Government, or upon the States or municipalities, there is, nevertheless, under this clause preserved to them an opportunity which may grow more valuable as time goes on, to acquire such projects upon a more advantageous basis than in the absence of such provision from the act.

So much for the policy as disclosed in the Federal water power act.

I think I am safe in assuring you that the present Federal Power Commission, collectively and individually, will be free from the criticism made of many Federal bodies, that it will desire to expand and assume more and more jurisdiction at the expense of State jurisdiction. Such accusation presupposes a sort of thirst for personal authority at the expense of some other organization, the evidence of which is not apparent in this commission as at present constituted.

On the other hand, it is the desire of this commission to fully enforce and administer the terms of the Federal water power act, and by the fairness of such administration gain the confidence of the States, the people and the water-power industry itself, which will enable it to effectively assist in the protection of the public interest, especially in that field where no control or supervision has been heretofore legally possible, as well as to cooperate with the States in developing some principles of procedure which may result in a different mechanism than has as yet been employed to accomplish this purpose.

From the beginning most of the arguments advanced for State rights as against Federal centralization, and vice versa, have contemplated either exclusive State jurisdiction or exclusive Federal jurisdiction. In a general way, the advocates are either highly aggressive or firmly defensive. The intermediate field of cooperative endeavor is very little explored, either from a legislative or an administrative standpoint. Congressional encouragement of activities along this line is probably more clearly expressed in the Federal water power act than in any former national legislation.

Probably in the field which we are discussing—controlled water-power development, and the incidental field of regulated distribution of hydroelectric energy—an opportunity offers for developing and carrying out some plan of Federal and State cooperation different from that heretofore devised.

It is true that much thought has been given to the creation of some machinery which will accomplish the successful carrying out of such purpose. Interstate compacts have been suggested, Federal control with regional centralization, joint boards as Federal agencies, Federal and State cooperation with State commissions as Federal agencies, all of which suggestions are directly made in the spirit of reaching some better machinery of cooperation between the regulatory bodies. Underlying all of such suggestions is the prejudice, conscious or unconscious, in favor of the protection of the original political rights vested in such agencies.

The proponents of such measures have apparently failed to see a reason for distinguishing between the importance of the doctrine of State rights in government and its application to the problem of control and regulation of large economic developments.

The political aspects are still an obstruction to the clear view of a solution of this problem, which is an economic one.

The traditions of water power, which a half century or more ago were more or less confined to the "picturesque mill" or to the water-driven enterprise, used mainly for grinding grist or sawing lumber, still are felt when we approach the solution of the problem of control and development of electricity on a large scale and perfecting the methods of transferring this "liquid dynamic force" hundreds of miles for use in our domestic and industrial life. To-day this industry is neither exclusively local nor exclusively national, but if complete supervision is to be had it must be had through cooperation of both local and national control.

In conclusion, let me say that in my opinion the question must be approached with the closest cooperation between the State commissions and the Federal agencies, acting entirely free from the prejudices which have grown up around the subject of States' rights as a political issue, and especially in the mutual confidence that there is to be no undue overreaching or selfish attempt for either to take unto itself power for the pure sake of power. This cooperation must recognize as its basic principle the real economic nature of the business with which it is dealing, that it is local in certain phases of its operation and national in other phases, and that the whole must be brought under some form of complete public governmental control and regulation which will bring about not only better service at lower rates, but establish the industry itself in such financial position that investment therein is safe and not speculative. There is here, I believe, a field which must engage our interest and which promises ample reward for all concerned.

### Philippine Independence

#### REMARKS

OF

HON. HIRAM BINGHAM

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Thursday, December 17, 1931

ARTICLE BY VICENTE VILLAMIN IN THE LOS ANGELES TIMES,  
DECEMBER 2, 1931

Mr. BINGHAM. Mr. President, I notice in to-day's RECORD a number of letters relating to Filipino independence. I notice the implication that the Filipinos are of one mind regarding this matter. I have received during the summer adjournment a number of letters that take a different position from that reported by the commissioners whose letters appear in the RECORD, and in order to present the other side of the question I ask unanimous consent that there may be printed in the RECORD an article appearing in the Los Angeles Times of December 2d by a Filipino lawyer, Mr. Vicente Villamin.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

[From the Los Angeles Times, December 2, 1931]

#### ECONOMY OF PHILIPPINE INDEPENDENCE

(By Vicente Villamin)

[The author is a Filipino lawyer and economist, holding no official position, whose presentations of the Philippine question has received wide favorable editorial comment in the American press.]

The Philippine independence question, thanks to the American farmer, is now on the sounding boards of the country as an economic proposition. Its discussion has shifted from the theoretical to the practical, from the sentimental to the realistic.

Since the passage of the Hawley-Smoot Tariff Act over a year ago certain farm groups in America, insisting that the free entry of Philippine sugar and coconut oil is detrimental to their interests, have been urging the concession of immediate unconditional independence to the Philippines to place Philippine products on a taxable basis and keep them out of the United States.

This proposal produced a revision of political views in the Philippines. Instead of enlisting the cooperation of the Filipino nationalists, who have been demanding independence, it made them cautious and conservative.

Thus Senator Quezon, the head and front of the Filipino separatist movement, announced to the Philippine Legislature a fortnight ago the adoption of the formula of deferred or postponed as distinguished from immediate, automatic independence. General Aguinaldo, the revolutionary leader of yesteryear, calls the former a traitor for modifying his immediatist position on independence. There must be personal animus on the part of General Aguinaldo rather than political dissent, for he himself had announced his belief in the new formula long before Senator Quezon embraced it publicly.

The change in the Filipino nationalist front is the result of economic considerations. Independence will automatically remove the Philippines from inside the tariff wall of the United States, robbing Philippine industries of the American tariff protection. Deprived of that protection, those industries will collapse, bringing down the country's economic structure, shaking the foundation of society and government, and plunging the people into a state of acute poverty and distress, chaos and unrest.

The present Philippine economic-political set-up is the result of the operation and inspiration of the Jones law, an act of Congress in 1916, constituting the organic law of the Philippines.

The purpose of that law is to grant eventual absolute independence. In consonance with that purpose the Filipinos were given local self-government so nearly complete that it was feared that America had been placed in the unenviable position of responsibility without commensurate authority in the premises.

At the same time the Philippines were included more completely within the tariff wall of the United States through the elimination of all trade restrictions between the mainland and the islands. This naturally gave the implication of permanency of Philippine-American relations and encouraged the development of the tariff-protected industries to the neglect of the unprotected ones.

Restated succinctly, the Jones law released two forces running against each other—the political force acting centrifugally away from American control and the economic force operating centripetally toward an economic union with America. Thus to-day, while the Philippines are almost independent of American control politically, they are dependent on the American tariff system economically. This is ideal for the Philippines if they are to remain with America permanently, which is not in the cards.

New avenues of approach to the goal of ultimate independence, all lighted with the lamp of economics, have been pointed out. There is a suggestion to grant the Philippines early political independence, but continuing the Philippine-American free trade for a specified period of years. Unfortunately this is not feasible under the most-favored-nation clause of the treaties of the United States with some 50 nations, prohibiting the giving of preferential tariff concessions.

The way to render this clause inoperative is to permit America, by treaty, to occupy, if she will, a special political position in the Philippine republic in partial derogation of Philippine sovereignty after the example of Cuba under the Platt amendment. This move would make Philippine independence a grand and solemn fiction after all the efforts to get it.

Another plan is provided in the Hawes-Cutting bill. The Filipino political leaders themselves call this plan unwise. It purports to prepare the Philippines for the heavy burdens of nationhood by weakening their economic sinews through a 5-year process of disintegrating the economic structure that has taken many patient years to build. It calls for the imposition of increasing tariff rates on Philippine imports to America until the full duty under the law is reached in five years, at which time the Filipinos, after realizing what it means to lose the American markets, are to express themselves in a plebiscite whether they want to be independent or not.

The principal proposal of Senator Quezon is the maintenance of the political status quo with greater local self-government and a plebiscite in 10 years to register the considered judgment of the Filipino people on independence. In the first place, this is a direct negation of all proindependence protestations, admitting, as it does, the possibility that the Filipinos might not want to be an independent nation after all. This principle is loaded with dynamite. In the second place, such plebiscitary determination can have only persuasive and not binding effect on Congress, and as such can serve no higher purpose than give rise in the future to bitter controversies and disillusionments.

It is politically smart in the islands to stand on a metaphorical wailing wall and bemoan the supposed uncertainty in the future political status of the country. Thus the most popular suggestion is that Congress, by an act, name a definite date in the future when independence shall be granted. Unhappily this proposal is not practicable under American constitutional law, which holds that no Congress can bind succeeding Congresses in matters involving, as does the Philippine question, the exercise of legislative discretion and national and international policies.

The solution of the Philippine independence question is the Jones law itself plus Filipino work, patience, consistency, and planning. This law is comprehensive and flexible enough under which the Filipinos themselves can work out an economic and other programs of preparation for eventual independence, doing away with mere oratorical and rhetorical preparations. To make their efforts more effective the law should be amended to empower the Philippines to negotiate, subject to the approval of the United States, treaties with foreign nations to afford the Filipinos full opportunity of exploring the possibilities of new markets. This would be a tremendous acquisition of autonomous power by the Filipinos.

The economic plan upon which the Philippines should embark under the Jones law must rest on two major propositions. First, the stoppage of the acreage expansion of the tariff-protected products, like sugar and coconut oil, a policy that is easy of execution because the Government controls over 70 per cent of the lands and the greater part of the area of the country is idle. Second, the development, instead, of unprotected products, such as rubber, camphor, quinine, spices, and other tropical raw materials. This is the natural development of the Philippines. It is both sound economics and good politics.

This plan will solve a row of problems. It will meet the complaint of the American farmer against the potential expansion of those Philippine products which he considers competitive, place in the meantime Philippine-American commercial relations on a more complementary basis, build up the islands through intensive development and diversification, give time to the present tariff-protected industries for the inevitable readjustments and, above all, create in the islands a new, self-sustaining economic structure that can stand by itself without being supported by the American tariff system.

Thus the Filipinos would be placed in a condition eventually to separate from America as an independent nation not only painlessly but with the essential economic equipment for nationhood. The logic of the plan is to achieve economic independence from America gradually and not bluntly. With economic independence political independence should follow as a matter of course. The other way around, considering the prevailing economic-political set-up, would be like moving from effect to cause, a procedure that invariably ends in failure.

The Philippine Legislature is fully empowered to adopt the means to carry out the plan. For instance, a simple act placing fair and prudential tonnage restrictions on the export of tariff-protected commodities to America, while holding out concrete inducements for the development of the dormant products which are on the free list, will be effective in deflecting the course of exports, expanding the market for Philippine products, and rendering the Philippines less and less dependent on the American tariff system until their complete independence therefrom is attained and Philippine products are placed on a world-wide market basis.

It is time that the Filipinos should think how they can develop their natural resources themselves. The Filipinos to-day hold the megaphone, but not the purse strings, and as such their power is chimerical. As Americans in the past employed European capital to develop their country, so the Filipinos to-day should go out of their borders for financial and technical assistance to build up their country. Who alone but themselves can deter them from so beneficial and so patriotic an undertaking?

When, at last, the condition of preparedness becomes an accomplished fact and the Congress moves to grant independence, the enabling congressional act should be accompanied, under a specific provision to that effect, with the overt act by the President of actually granting independence during the legal life of the Congress that shall have passed the independence legislation. That will bring to the family of nations the newly born Philippine republic.

### Philippine Independence

#### REMARKS

OF

HON. HARRY B. HAWES

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, December 17, 1931

TEXT OF THE RESOLUTION ADOPTED BY THE DELEGATES, PARAGRAPHS FROM ADDRESSES, AND EXTRACTS FROM THE PROCEEDINGS OF THE CONVENTION CALLED "THE FIRST INDEPENDENCE CONGRESS"

Mr. HAWES. Mr. President, the population of the Philippine Islands consists of 13,000,000 Malays and less than 7,000 Americans. The Malay population is rapidly increasing, while the American population is decreasing. These remaining Americans considering their personal interest, are naturally opposed to the independence of the islands. It is asserted by them, and the assertion is transmitted to American newspapers and the American public, that the Filipino people do not understand the responsibilities of independence or the consequences of the withdrawal of the sovereignty of the United States from the islands.

This statement is without foundation. Very intelligent discussions showing a full realization of economic readjustments which may become necessary in case independence is granted, have been carried on by some highly intelligent men and women of the Philippines. They have weighed the cost and are willing to pay the price, if there is any.

The assertion that the costs and responsibilities of independence have not been considered is just another attempt to divert the attention of the American people from the real facts as they exist in the Philippines. All classes of Filipinos are united for independence—the business, intellectual, labor, and agricultural elements.

A remarkable convention called "The First Independence Congress" was held at Manila from February 22 to February 26, 1930. It was composed of 3,000 delegates representing every section of the Philippine people, geographically, economically, politically, and in a religious way, for Catholics, Protestants, Mohammedans, and pagans attended it. These 3,000 delegates divided their subjects of independence into subtopics and assigned men and women to discuss a particular subject and to report back to the convention.

I have read very carefully the volume of 365 pages containing a report of this convention. As the chronicle of an effort of thousands to acquire an intelligent understanding of independence, it is a remarkably human document, notable for moderation of statement, for the friendly words with which the delegates spoke of the United States, and its people, for the clear understanding of the responsibilities of nationhood, and for insight into the problems the future holds for them. This document will demonstrate that the matter has been discussed and the effect of independence carefully considered. Despite the responsibilities the unanimity of opinion for freedom remains.

The text of the resolution adopted by the delegates, and some paragraphs from addresses at the gathering I think well worth a place in the Record. I ask that the following extracts from the proceedings of this convention be inserted in the Appendix.

The VICE PRESIDENT. Without objection, it is so ordered.

The resolutions and extracts are as follows:

The resolution adopted by the convention reads:

"We, members of the First Independence Congress, convened at the city of Manila, Philippine Islands, from February 22 to 26, 1930, on the initiative of private citizens, and composed of representatives of business and agriculture, directors of civic organizations, leaders in the various professions, publicists, educators, labor, religious and student leaders, municipal presidents, Moro chiefs, coworkers of Rizal and Del Pilar in Spain, veterans of the revolution, elective officials of the provincial governments, high officials of the former Philippine Republic, past and present members of the Philippine Legislature and Filipino members of the council of state, after deliberating upon the problems of independence including national defense, finance, and economics, as well as political, social, and educational questions which would be faced by an independent Philippines, hereby make the following declaration: 'While fully conscious of the debt of gratitude we owe to America for her benevolent policy in the Philippines, we are convinced that immediate independence is the only solution in consonance with the unalterable desires of the Filipino people. No matter how lightly an alien control may rest on a people, it can not, it will not, make that people happy. The genius and potentialities of the Filipino people can only be developed in an atmosphere of freedom unrestrained by foreign rule. Differences in race, history, and civilization render difficult, if not impossible, a common life under one flag between the American and Filipino peoples.

"The uncertainty of our future political status hampers the economic development of the country. Our present trade relations with the United States are not conducive to the economic independence of the Philippines, and whatever may be the temporary advantages of such relations, we are willing to forego them for the sake of freedom. The longer we remain under America, the harder will it be for us to be freed from our political and economic dependence on her. We are now better prepared for nationhood than many independent states of to-day and we are ready to assume the risks and responsibilities of independence. We are not unmindful of the fact that in the final solution and settlement of the Philippine problem, American and foreign interest must be adequately safeguarded. The establishment of a Philippine Republic to-day will but be the logical and just outcome of our long struggles for freedom and will be in keeping with America's history and traditions. Independence will make for closer friendship and better understanding between America and the Philippines, while retention fosters distrust and ill feeling. In our solemn constitutional covenant with America she has promised to grant us independence as soon as a stable government can be established. This condition has long been fulfilled.

"Therefore, in the name and in behalf of the Filipino people, we solemnly affirm, with full realization of the consequences and responsibilities of political independence, that our people should be allowed to live an independent life and to establish a government of their own without any further delay and without any condition which makes its advent uncertain; hence we respectfully reiterate our petition to the people and Government of the United States to grant the Philippines immediate, complete, and absolute independence."

Dean Maximo M. Kalaw, executive secretary, in opening the convention, said: "The idea was started by private citizens; but when we urged our legislative leaders to carry it out because they are the legal representatives of the people, we were told that, in order to give freshness to the movement and to attract other men and parties, citizens outside of active politics had better take the initiative. In that way, they further argued, the people of the United States would know that the independence agitation here is not limited to the political leaders. This is the explanation for the calling of this congress merely by a group of citizens."

The president of the congress, the Hon. Felipe Agoncillo, reminded us—and the world—of our pledge: "We avail ourselves of the birthday of the immortal Washington, the founder of the great North American Republic, and on this day request the Government of the United States to give us the immediate fulfillment of the solemn promise made in the preamble of the Jones



law. It is a word of honor which America has given before the world, and because it is jealous of its national honor should in no way elude its fulfillment."

Hon. Antonio de las Alas, speaker pro tempore of the house of representatives, said: "In the Philippines we are fortunate that we can always invoke the history and traditions of America to keep alive our sentiments of nationalism and accelerate its onward march. The facts still linger in our minds that the Pilgrims emigrated to America to enjoy freedom; that the Boston Tea Party was a protest against acts done by the British Government without the consent of the American colonists; that though few, ill-fed, barely clothed, poorly armed, and untrained for military duties, the Revolutionary Army under Washington continued fighting with might and main to attain the independence of America; that the Declaration of Independence lays down the ideal of government with the consent of the governed; that the Monroe doctrine was promulgated to close the American Continent from colonization by European nations; that the Civil War was fought to give life and blood to the tenet that all are born free and equal; that the Spanish-American War was fought to save Cuba from further atrocities; and that America participated in the last Great War to make the world safe for democracy and to compel each nation, including the small ones, to respect the rights of others."

Mrs. Rosa L. Sevilla de Alvaro, on behalf of the Filipino women, fairly characterized the methods the Filipinos have employed in pursuit of their ideal: "We, the women, are the first to condemn all violent measures, because no longer are we in the age of the cave man, when right by might was necessary to enforce the law of righteousness, and because we have more powerful and persuasive weapons. And all those who prove themselves hostile to our legitimate aspirations, let them be ostracized to indifference and isolation. We are happily in a period in which reason predominates, in which in the struggles for principles and ideals he who has faith in himself and in his own convictions triumphs; wherein the man who knows how best to present the facts succeeds, the man who knows how to find the most opportune means, who knows how to employ the weapon of persuasion attracts toward him the favorable opinion of other altruistic peoples; in short, the man who knows how to enhance virtue and paint even the defects of his people is the man who will finally attain victory."

The Hon. Juan Sumulong, at that time minority floor leader in the Philippine Senate, impressed on the delegates: "We do not aspire to be free on mere sentimentalism. We are convinced that in the degree of development reached by our country, the uncertainty of its definite political status is a positive obstacle to all real and durable progress. While the indefiniteness subsists, while it is made and planned, our country will suffer from the evils of provisionality; timidity and vacillation will be the characteristic decisions of the nation and foreign enterprises; our commerce with the exterior will be restrained and limited; and the whole country, oppressed by the darkness of the future, will continue to be like a man waiting for an unknown sentence which may give him back his liberty or deprive him of it forever."

The Hon. Sergio Osmena, president pro tempore of the Philippine Senate: " \* \* \* let each Filipino look for the job which fits his aptitude and let him do what he can for the benefit of the ideal. Our exact comprehension of the responsibilities, problems, and sacrifices which will bring independence will educate our intelligence and our character and will prepare us to be worthy of receiving it, and, above all, it will teach us to uphold and support it for us and for our children; for the natives and for the strangers; for all men of good will who want to live with us and who consider it an honor and a security to be under our flag. Determination, disinterestedness, the spirit of discipline, are qualities which, when united together in our case, will firmly conquer all obstacles."

An educator of distinction—Prof. Conrado Benitez, director of the school of business administration of the University of the Philippines—gave a glimpse of Filipino aptness: "First, in the early days of that contact, the appeal to able and ambitious Filipinos was to prepare themselves for participation in the government. That appeal met with a ready response, and soon there were not enough offices in the government for all those prepared for the public service. In recent years the appeal has been for the able Filipino to enter the field of business."

The Hon. Miguel Unson, secretary of the department of finance, said: "In June, 1909, when the United States Congress was considering the Payne-Aldrich bill, several agents of the government were traveling through the Provinces securing signatures to a petition which was to be solemnly adopted on the Luneta on July 4 of that year. The petition was for free trade between the United States and the Philippine Islands and the purpose of the petition was to offset the attitude of the Philippine Assembly, which was opposed to the bill. I know of many persons who refused to sign the petition because they considered that free trade would in time become a powerful tie binding the Philippines to the United States. They feared that economically the Philippines would become very dependent upon the American market, and that this dependence might in time grow to such an extent that the Filipino people might forget their duties toward their country in order to continue enjoying the material comforts and prosperity offered to their efforts by a market of almost unlimited possibilities."

The Hon. Rafael Alunan, Secretary of the Department of Agriculture and National Resources, called attention to problems and

difficulties which some opponents of independence declare the Filipino either doesn't perceive or wish to mention: "The sensible people of the Philippine Islands can congratulate themselves that the leaders of public thought have realized the necessity of giving due attention to the economic aspect of the independence problem. One must admit that a free and independent existence necessarily brings with it many and serious economic problems. These are practical facts that have to be faced resolutely, because, like individuals, nations can not live on illusions. A person who, like the ostrich, hides his head when any difficulty or danger is encountered, does not exhibit constructive statesmanship. There are two dangers involved in the solution of the Philippine problem; the first consists in our closing our eyes to the economic difficulties which are a necessary consequence of independence, attempting to ignore their existence. The second is to insist upon seeing things as we would like them to be or think they ought to be, but are not in reality because they have bad sides as well as good."

Don Leopoldo R. Aguinaldo, a business man, and president of the Philippine Chamber of Commerce, said: "Independence can not and should not obstruct the increase of our productive wealth. But as our production depends for its consumption greatly on the outside markets, especially that of the United States, the cessation of political relations would provoke a disturbance in the commercial relations bordering on economic chaos which may last five years or more until necessary adjustments are made to supply the absorbing demands of the market in the States and other foreign markets which we may favor with our products. We should not form the illusion that our economic structure will not be affected with the transition of the actual state of dependence to a life without a check."

The Hon. Guillermo Gomez, Under Secretary of the Department of Finance, also foresaw, and foretold, some of the offsets to independence:

"But there is no doubt that we can survive and even progress, if we know how to bear sacrifices and find the means of lowering the cost of production, contenting ourselves with smaller salaries and profits; introducing more scientific and economical methods in cultivation and harvesting, and uniting our efforts and cooperating with each other in looking for a more remunerative outlet for our crops; in a word, working harder than ever with our brains and brawn, so that we may successfully pass through the period of test, resulting from our emancipation, a test which will aggravate the unfortunate coincidence of the restrictions to be placed on our market in America with the superabundance of tropical products throughout the world."

The Hon. Cornelio Balmaceda, of the Bureau of Commerce and Industry, spoke in the tenor of Under Secretary Gomez:

"The present free trade is a serious obstacle to Philippine independence. It has tightened and is tightening the commercial ties that bind us with the United States, and the longer we keep on with it the more economically dependent upon the ruling nation we shall become, and the more difficult it will be to sever our political relations with her. We must, therefore, work at once for the abolition of the free trade. But in order to make this necessary change in our tariff system less disturbing to our economic situation, and to mitigate to some extent the economic shock that it would cause to our people, we should see to it that its abolition is effected gradually, if such an arrangement can be secured. A period of 10 years may be fixed within which the present tariff arrangement may be abolished. After the first two years we can shift to a preferential tariff arrangement with the United States instead of free trade."

The Hon. Jose P. Laurel, member of the Philippine Senate: "Upon the workings of the government of these local units depend in a great measure the success or failure of the central government. This is especially true in a democracy. Paralyzation of the parts will result in the paralyzation of the whole. Sound municipal administration is the main prop of a state. It was M. de Toqueville who said: 'Local assemblies of citizens constitute the strength of free nations. Town meetings are to liberty what primary schools are to science; they bring it within the people's reach, they teach men how to use and to enjoy it. A nation may establish a system of free government, but without the spirit of municipal institutions it can not have the spirit of liberty.' Here in the Philippines, if we mean to preserve for future generations the stable government which we have built up, we must maintain a high standard of local government and administration." \* \* \* "I do not believe there will be serious opposition to the idea of increasing taxation here if that is necessary for the maintenance of an independent government. We should be willing to pay the price of liberty. Of course, in working out our financial program for the provinces and municipalities we should at the same time study the ways and means by which the expenses of the governments of these political subdivisions could be reduced to the minimum without, however, hampering public business. It is possible that we could bring down administrative expenses of our provincial and municipal governments by the reduction of their personnel."

The Hon. Honorio Ventura, secretary of the department of the interior: "It will be sufficient for me to state once more that our country has until now responded to all calls of duty as regards public order, obedience to law, and respect for the rights of nations and foreigners, and has at all times furnished the cooperation and services necessary for the maintenance of the constituted government and required by the public welfare not only as an element subordinate to a foreign authority or supreme power but as a factor indispensable to national existence with moral and material powers and responsibilities of its own."

Dean Maximo M. Kalaw spoke thus for the political section of the first independence congress: "Finally the independence question itself is the greatest deterrent to the political development of the Philippines. So long as that question remains unsolved real political progress is practically impossible. Every other political issue is overshadowed by independence and no real party system is developed. Independence has been the one major issue of Philippine politics ever since our first election. \* \* \* Under the circumstances, therefore, no real party system can exist and no other issues can become prominent enough aside from the issue of independence. \* \* \* It is conceded that there are many other Philippine problems of political nature which must be studied and solved for the proper political development of the country. There is the problem of the system of government to be established. There is the problem of the relation between the central and the local governments. There is the problem of corruption in the government. There is the problem of elections." \* \* \* "In order, therefore, that the people may cultivate proper respect and loyalty for the State, in order that they may develop self-reliance and self-sacrifice, in order that they may follow their own ideas and establish the forms of government adapted to their needs, in order that they may discuss freely their own political problems unmixed with the independence question, and in order that they might develop a proper attitude of vigilance and self-criticism toward their political leaders and social institutions, it becomes necessary that the independence question be solved and be solved immediately." \* \* \* "A real love for American institutions will blossom in a Republic born out of the generosity of the American people. The Philippine Republic will be the greatest monument to America in this part of the globe. It will be a veritable lamp which will be seen and admired from all corners of Asia."

The Hon. Lope K. Santos: "The teaching of English began about a month after the military occupation of Manila in 1899. Then the first teachers, who were Army men, taught the language through Tagalog or Spanish, which at the time they learned from their already adult pupils. During those first years the educational authorities were more inclined to the method of teaching English with the help of the dialects and even of Spanish; a practice which lasted only a couple of years. Men are not wanting who attribute the substitution of this method by the exclusive teaching of English to the suggestion of the Filipinos themselves, who were then taught to be 'leaders' of peace to the Filipino people and advocated the annexation to the United States. The new system, even if it was notoriously antipedagogical, prevailed and was instituted as a general policy of education in the whole country up to the present, consequently proscribing from the public schools any Filipino language or dialect, including Spanish. All the attempts on the part of our national 'leaders' and of our legislature, as well, of altering such a policy, has always come into conflict with a previous opposition or with the posterior disapproval of the executive." \* \* \* "The same Filipinos, in order to cooperate faithfully and sincerely with the American teachers, have gone on qualifying themselves with marvelous rapidity with the object of assuming the mission of teaching English; in such a way that actually they already have in their charge all the primary and intermediate schools, and the same is true with 95 per cent of the high schools and even universities."

The Hon. Rafael Palma, president of the University of the Philippines: "We have to prepare our youth not only for professions but also for the civil service, the national defense, and the diplomatic relations. Materials which are of little importance now in our course of study because of our dependent status would increase in weight with the change of situation. For instance, all courses pertaining to tariffs, immigration, monetary systems, disposal of public lands and mines, which by the nature of our relations with the United States are of secondary interest at present would come to the front of our educational problems." \* \* \* "The present era is eminently scientific, and we can not reasonably live and survive by isolating ourselves in our own islet formed during the theological era. We need to absorb and assimilate whatever else is of benefit to us. That is the law, the task of all education and progress. From the moment that the individual ceases to absorb new ideas or try new experiences, he stops growing intellectually."

Dean Francisco Benitez, of the College of Education, University of the Philippines: "For the last 50 years at least, the fundamental concern of our people has been and is the struggle for the achievement of independent nationhood. After these years of efforts, our people to-day, an impartial observer will see, are as well prepared for it as any other people in the world that at present aspire for its independence. Ours is, in the first place, a homogeneous people, possessed of the same culture that has been the result of Malayan, Hindu, Chinese, Spanish, and American influences, able to communicate with one another in English and Spanish, the overwhelming majority of us being Christians united by a long history of sacrifices for liberty and, thanks to the liberal policy of America, enlightened in the principles of good government and democracy. An impartial observer will further notice that the mind of our people is irrevocably made up on this question, not because we are ungrateful to the United States, but because we realize that on account of fundamental differences in race and history and of our geographical situation our people must work out their own destiny as a nation and in that way contribute their share to human progress and welfare." \* \* \* "With independence we will be more conscious of our responsibilities and

obligations as well as of our rights as an independent and self-respecting unit in the family of nations, and, with independence, there will be in our country a renaissance, a new determination to do and achieve all those things which will enable us not only to maintain and to foster progress and welfare among us but to discharge all those duties that a civilized people owe to mankind. And as our civilization is the product of the influences of both the East and the West, we hope, as an independent nation, to contribute to a better understanding between the eastern and western nations."

The Hon. Angel Arguelles, director of the bureau of science: "A tropical country like the Philippines requires a highly developed organization to take care of the hygiene and sanitation of the people. Up to about 30 years ago, life in the Tropics was considered extremely hazardous in view of the fact that epidemic diseases like cholera, bubonic plague, smallpox and others may break out at irregular intervals. In those days when medical science was not fully harnessed to cope with the situation, a considerable proportion of the population became decimated because of the ravages of disease in one form or another. Fortunately, the great advances of science along this direction have made tropical life much more enjoyable and safe than in previous years. However, science must struggle on in combating the different types of epidemic diseases which confront people living in the Tropics. It will be the part of wisdom to closely keep abreast with the progress of sanitation and hygiene in order that our population can grow normally and with vigor and strength. The importance of this work is so self-evident that its necessity need not be emphasized."

Prof. Fabian de la Rosa, director of the School of Fine Arts, University of the Philippines: "Only a Philippines completely free and independent can reflect in art a pure and polished image of its native soul, thus providing its artists moments of intense and sane happiness, which will serve as a stimulant to his soul to create work of superior quality, where will be seen reproduced the effects that an atmosphere of liberty can generate in the will and sensibility of the artist; because, say what you will and think what you will, a controlled country is found constantly exposed to suffer great moral and material changes to the detriment oftentimes of its good native qualities, which means little or nothing to the ruler that always feels more interested in what concerns itself than on things belonging to the controlled country."

The Hon. Mariano H. de Joya, formerly judge of the Court of First Instance: "The diversity of races, religions, idioms, laws, institutions, and customs, however, are not obstacles to the formation of a great, free, and prosperous state so long as its basis be liberty. The ties that bind actually the 120,000,000 inhabitants of the vast territories of the United States of America can not be more artificial—men belonging to all races, professing an infinity of religious and political creeds, subject to diverse systems of legislation, with customs and traditions of all the circuits of the earth; but, in spite of all that, they constitute the greatest and most powerful nation of the world, where all the hatred and injurious rivalries are drowned, because they are firmly united by the same cause of liberty by the heat of which all nationalities are melted. On the other side of the Atlantic exists also the prototype of the great American Republic—the Swiss Confederation—whose inhabitants, notwithstanding their diversity of races, religions, and languages, have succeeded in establishing a free, happy, and prosperous state, the union of which was made possible for their community of interests and for the same ideals, sacrifices, and tribulations, from the most ominous days of its past bloody history of the attainment of liberty."

Mr. Pedro Aunario: "The great surprise which we had in the hecatomb of ninety-eight, which brought the United States to these islands, was that we Filipinos knew little of the Americans, of their history, and their character. That even caught us entirely unaware. Neither the country nor the then directors were prepared to face the new situation. \* \* \* I shall tell you frankly that the clearer idea of relations of neighborhood I have condensed in the magnificent advice that an old man with good common sense and experience gave to his son, 21 years old. 'Try,' said the father, 'to have good relations with those around you and those near your home. If you can not gain the friendship of even your neighbors, you are unfit to live in the world. Do not allow others to interpret their purposes and then be communicated to you. Make an effort to understand them talking to them directly. If they are your possible enemies, you will know how to defend yourself better. Under any circumstances, if their house burns, yours too will; and when you are afflicted by a common misfortune, you would need mutual help.'"

Gen. Jose Alejandrino, ex-general of the revolution and ex-senator: "Finally, I believe that the best guaranty of our existence as an independent nation should be a stable government, honorable, efficient, and just but worthy, whose acts inspire confidence with other nations, and which proceeds in such a way that in all questions that might arise between our government and that of another nation, we can always prove before the world that reason and justice are on our side."

The Hon. Filemon Perez, secretary of the department of commerce and communications: "If the realization of our political ambitions is really approaching, if it is true that there gleams in the horizon rays of hope and that finally the Filipino people would be given the opportunity to live under their own determination, this is the moment of shaking and strengthening the civic conscience among our citizens. We should separate when we treat of public questions from party or regional considerations,

in order to give preference to the common good. Let us go up so that from there we can have a more complete and comprehensive perspective of our national necessities and conveniences."

The Hon. Jose P. Melencio, representative of the Province of Cotabato, and son-in-law of General Aguinaldo: "That Mindanao is my subject to-day. Out of the uncertainties of yesterday, the ramparts of a better order are there being constructed. On all sides evidence of a quickened existence are discernible. The cross and the crescent are not inconsistent there. Good-naturedly, they smile on each other, marching hand in hand as friends and comrades. Some day, perhaps one of them will be discarded altogether; the more fit will survive. But there will be no actual clashes due to religious convictions and impulses. More noteworthy yet, Christians and Mohammedans, every now and then, go to the marriage altar together, to be there united by the compelling dictates of their hearts. In no case yet has one of those marriages hit the rocks of disaster. There are other encouraging signs of the times. Our Mohammedan kinsmen are steadily embracing the ways of modernity. Age-old prejudices and antiquated traditions are gradually being dumped into the scrap heap, and a new outlook toward life is manifest everywhere. More and more, faster and faster, they are adopting the trappings of modern civilization. Their wants are increasing; they are beginning to produce more. They are fond of riding in motor cars. They enjoy the movies. They get the same thrill out of athletics and of boxing bouts as we do. Many of them are fitting their picturesque vintas with motors so they can travel about faster." \* \* \* "American and foreign capital, on the other hand, hesitates to make large investments in Mindanao because of the uncertain political status of our country. With the coming of independence we shall have to rely on Filipino capital and initiative for the development of Mindanao. But the government would have to extend the necessary encouragement in order to achieve something tangible. It will have to provide roads, shipping and docking facilities, and various means of communication from one place to another. Once these things are provided for, the rest will take care of itself."

Director Ludovico Hidrosollo, of the bureau of non-Christian tribes, laid one of the ghosts with which foes of Filipino freedom are wont to frighten timid Americans: "Mindanao is populated with Christian, Mohammedan, and pagan peoples. Only two of the eight Provinces which compose the island are predominantly Mohammedan. These are Lanao and Cotabato. The Sulu Archipelago, which has a total area of 1,030 square miles, is almost entirely Moroland. According to the latest estimates, there are only about 6,000 Christian Filipinos in this Province. \* \* \* Christianity and Mohammedanism do not harmoniously mix in any part of the world. In religion most men take things for granted rather than exercise reason. Fortunately, the Christian and Mohammedan elements of the population in Mindanao and Sulu have managed to live together peacefully as a whole. In the annual report of the governor of Lanao for 1928, I find these remarks: 'The least that is said about the differences between Christians and Mohammedans and the more effort that is put forth to establish and maintain friendly relations the more speedily will these differences, to a considerable extent, imaginary, be removed, and the relationship of man to man, give and take, live and let live, be established.' In my opinion, the majority of the Mohammedan Filipinos do not feel, or do not realize, that they are a part of the Filipino people. Yet, whether we wish it or not, whether they wish it or not, they and we are racially the same, have to live together in these sea-girt islands and share one common destiny."

Sofia R. de Veyra, president Federation of Women's Clubs, a woman of capacity and culture: "We will not be called upon to lead an army, as was St. Joan of Arc, nor will we have to take a gunner's place, as did Molly Pitcher, but we are called upon to stand side by side with our men to face our country's needs and do our best to remedy them. It may be true that women's place is in the home, but the home does not have to absorb all her attention. All over the world the woman is coming into her own. We must recognize this fact. We can and we must stand by our men and face the problems with them, and we can do this without neglecting the home and without losing one particle of our own womanliness. Our work must not consist in mere idle talk. We are attending this congress in order to discuss the best means by which we may cooperate with our men in their struggle for independence. Those of us who can offer some suggestions should do so without hesitancy. We must take advantage of this opportunity, and we must have something definite, something concrete as a result of to-day's discussion. We must realize that once independence is granted conditions are bound to be different. There will be a time when we shall be called upon to face far greater problems than we discuss to-day. If independence is granted during our lifetime, we shall have the responsibility of setting up on its feet a new nation among nations."

In her address, Miss Paz Gloria-Canave, representing the Filipino women, said: "The women are the best teachers and the most powerful teachers. The true mother takes charge of the education of her children during the most precious and formative stage of their lives. The home is the best place to inculcate patriotism. Pictures and stories of great men could be shown and taught respectively to the children as clearly as we possibly can. Even pictures of beautiful scenes in the locality—now that this is possible through the works of some of our artists—can well adorn the home in order to make the children appreciate the beauty of their own country. \* \* \* We are told of the immense ex-

pense, national and individual, of an independent country. The best way to prepare for this responsibility is to practice economy right away. Now and then we hear remarks that we are extravagant. In my observation I find some truth in these remarks. We women who control the purse and the budget of the family should practice economy in our daily life."

Miss Ramona Tirona, associate professor of the University of the Philippines, urged willingness to accept economic hardships, if such must be the concomitants of independent status: "Now let us briefly analyze a certain phenomenon that affects the expression of our national aspiration. I suppose that we all agree that independence is cherished by all of us. There is no mentally sound Filipino who has not thought likewise. But in spite of the general valuation of freedom there has been entertained a fear on the part of many of our people about the fate of the country in case independence is granted. What will become of our trade, of our agricultural and industrial interests, of our private and governmental institutions, of the maintenance of our government, of our safety from external attack? \* \* \* If sacrifices are to be made for our independence, let us have them take place sooner. The torture of any expected pain that is slow in coming is greater, indeed, than that of an intensive one that is immediately experienced. \* \* \* It behooves, therefore, the Filipino women to exercise their influence upon those fellow countrymen and women who are afraid of the future of the Philippines in the event of independence, in the cultivation and diffusion of a courageous sharing in the burdens that must be borne."

Japanese Menace to a Philippine Republic was one of the subjects considered by Prof. Serafin E. Macaraig, of the University of the Philippines. He met the objection thus: "The threat of a Japanese menace and the fears that have been entertained by the Filipinos themselves against a possible Japanese invasion in the Philippines are the products of a systematic propaganda, both in Congress and in the press, which the imperialists have been pounding into us and have become a part of our thoughts and ideas. Japanese invasion, if such there be, is a political rather than a population menace. Admitting, for the sake of argument, that with the declaration of independence in the Philippines Japan would extend her imperialistic designs to the islands, it still can be maintained that the population menace can not become a reality. Conquest in the history of all colonization has brought into the conquered country not mass migration but administrators and colonizers."

Union labor had for its spokesmen at the convention Don Joaquin Balmori: "Philippine independence by virtue of economic readjustment which will come later on will give as one of its results the lessening of its public rent. Such, instead of terrifying us, should strengthen us and comfort us, and thus convinced that we should depend solely on ourselves in what pertains to our production, we should force ourselves in recovering the goal lost in the exterior market, we shall feel compelled not to rest, if we do not wish to perish absorbed by the stronger and the wealthier in the economic contest. And the element which will have the heaviest of this responsibility on its back is, without any doubt, the labor element. But the laborer, conscious of his duties, acquainted with all that he strives for, will not in any way neglect the important rôle which the Philippines has assigned him, if the working conditions be dignified and elevated, placing them, if not on the same basis, at least on one similar to those that exist in the more progressive countries of the world."

Mr. Felipe E. Jose, first vice president of the labor congress and former president of the Workers' and Peasants' Association of the Philippines, was eloquent in his interpretation of the feelings of the workers: "So with heads up and hearts open we are making it known to the four winds that the rich and powerful who desire to become leaders of national movements can be assured of our help so long as they are fighting for a common cause. Just as the common masses of yesterday proved their loyalty to their country, so are the laboring classes of to-day. The least doubt should never be entertained, for we are also prepared to die for our country's sake. We are saying plainly that if the rich and educated people think that the success of Philippine mission depends on us right now we offer our lives to fight for liberty until the last. If it is the life of the laborers that America needs to recognize our right for freedom, we are here with hearts open to offer her what is in our power."

Assurances to American investors were proclaimed in the address of the Hon. Emiliano Tria Tirona, formerly minority floor leader in the senate: "We should tell those augurers of disaster and bankruptcy that their fears are not well founded; that if we come to be independent due to the recognition of our own worth by the Congress of the United States, the Filipinos as a people and as individuals, would give to the capitalists, merchants, and American products greater protection than we now in our state of dependence receive for ourselves; and that instead of considering them as our bosses, dominators, and invaders we would look upon them as our benefactors, and their investments would be guaranteed, not only with the might of the Philippine Government but also by the might of the affection and gratitude of the whole people. The material power may be destroyed by a superior power. It is ephemeral, but the power that creates affection and gratitude is perennial. \* \* \* It is possible and probable that the country in the first years of its independence would feel an economic depression, but such a phenomenon is registered in all countries that began to live free from foreign tutelage. Even America after its separation from England had several years of



economic depression. But such an abnormal state is transitory. Sooner or later would come the normal situation."

Dean Jorge Bocobo, of the college of law, University of the Philippines, directed attention and paid tribute to the solidarity of the Filipinos as to the "great issue": "From the very nature of things, there should be only one party here, the party of the Filipino people as against the imperialist interests. The theory that for the sake of democracy we should fight our domestic issues while uniting ourselves on the independence movement has proved to be impossible. Because of the resentment caused by internal questions we find it difficult to rally the national character for united action in the independence movement. But, my countrymen, it is not too late. There is still left in the depths of our beings enough strength of will to strive together under the banner of the sun and three stars, while the radiance of our beloved flag shines on our faces that look toward the future years—the years of national dignity and national glory."

The Hon. Manuel L. Quezon, president of the Philippine Senate, was absent because of illness. A letter which he wrote to the convention I give in part: "The attitude of any American or group of Americans who has been inspired with egotistic sentiments in his relations with the Filipinos, or the behavior of any ruler who has been interpreted by us as inspired by the proposition of ignoring our rights, has never represented either the attitude or the policy in general of the people and the Government of the United States in their relations with the Filipino people. . . . To be independent is to be admitted in the family of nations; hence our acts now and our acts to-morrow as individuals and as a people should be such that would inspire the confidence and security, that we shall know how to live with other people, and that we shall know how to manage our government, not only for the benefit of the natives but also for the protection and safeguard of those residing in our own territory."

President Rafael Palma, in an address which was the valedictory of the convention, drew attention to a fact that impressed me more than any other during my visit to the Philippines. That was the tremendous interest and enthusiasm for independence among the younger generation of Filipinos: "What pleases me most on this occasion," President Palma told the several thousand delegates, "is the fact that the young generation, whom we expect to continue our labors, are so identified with our ideals and are so ready to fight more vigorously for the same principles for which we have struggled as to leave no further doubts regarding the definite destiny of the Filipino people. We who have reached the afternoon of life and can only watch as the shadows throng and lengthen with the setting of the sun on the course of life and its events, can not but feel optimistic at knowing that our efforts have not been in vain and that after us a new generation is coming so full of aspiration and vigor, a new generation to lead to its happy consummation the task that the Father has intrusted to us all."

### Economic Conditions

#### REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, December 17, 1931

EDITORIAL IN THE PHILADELPHIA RECORD, DECEMBER 17, 1931, ENTITLED "A SICK WORLD WAITS ON THE CONGRESS OF THE UNITED STATES"

Mr. BARKLEY. Mr. President, in this morning's Philadelphia Record on the first page is an editorial entitled "A Sick World Waits on the Congress of the United States." I do not necessarily indorse all the statements of that editorial, but it is a very forward-looking editorial and I ask unanimous consent that it may be printed in the RECORD.

The VICE PRESIDENT. Without objection it is so ordered.

The editorial is as follows:

[From the Philadelphia Record, Thursday, December 17, 1931]

A SICK WORLD WAITS ON THE CONGRESS OF THE UNITED STATES

Congress should take the United States off the present gold standard immediately.

If the Government fails to take the initiative now, its hand will be forced eventually, when it will do little or no good.

If Congress acts now, it will save much human suffering and speed the return of the world, as well as this country, to normalcy.

We need inflation to cure our own depression. But even more important we must forget gold to relieve the despair of the rest of the world which is in debt to us.

No. 9—11

The smartest thing smart Uncle Sam can do at this moment is to let his debtors get the best of him. Sometimes it's smart to be dumb.

The Record knows that it will be bitterly denounced for these statements. We speak bluntly and sincerely because that is the only course set by patriotism and courage in a national crisis. The Record is not edited tactfully, or it would not recently have urged "sure lower wages" as better than "high uncertain wages," in the face of the President's demagogic plea to maintain high wages.

That false propaganda about maintaining wages is one of the reasons we must go off the gold standard. The President has made a fetish of a certain dollar figure on the pay envelope. He has made it difficult to change that number of dollars. The surest and quickest way to meet the situation which he has created is to leave the same number of dollars in the envelope, but to make more dollars and to change the value of the dollar.

Value of money is a complicated concept to discuss, rendered doubly difficult by the emotional element that enters into it.

Such is human nature that the man who is used to a wage of \$10 a day feels poor if he is reduced to \$8 a day, even if the \$8 buys as much as the \$10 he formerly received. He would be better content if he continued to receive \$10 with the purchasing power of \$8 than \$8 with the purchasing power of \$10.

Cutting a man's pay hurts his pride and self-respect. If men were absolutely reasonable and logical, they would be satisfied to have the number of dollars they receive adjusted from month to month, according to the purchasing power of the dollar.

But men aren't that way. It is a very human fault that many of us measure our self-respect by the number of dollars in the pay envelope. The middle-aged man hates to receive fewer dollars per week than he earned when he started in his trade as a lad, and all the economists in the world can't reason him out of that notion.

That element of human emotion, or human "unreason," is the cause of the confusion of our professors of economics. They formulate laws for a logical world, peopled by reasoning beings. To them man is a logical entity, while, in fact, he is an emotional unit, with many of his emotions inherited from the Stone Age.

He begets his respect for gold from antediluvian days when gold was the most useful, and, therefore, the most precious metal. The metallurgists have found a score of metals and alloys which supply every need of man more efficiently than gold. All gold could disappear from the world without humanity being discomfited, and yet we worship gold as the most desirable element in the world.

GOLD IS VALUABLE TO-DAY FOR THE EMOTION IT PRODUCES

People tend to have confidence in a government which possesses much gold. But if, for other economic causes, that confidence in the government is lost, despite this possession of gold, gold becomes absolutely valueless; nay more, it intensifies distrust of government, because, added to other emotions of depression, is the fear that the government will lose the gold which it possesses.

Thus you have the otherwise incomprehensible phenomenon of a nation like Great Britain terrified by loss of gold, fearing to go off the gold standard, and becoming more prosperous and content immediately after it takes the plunge.

A country about to go off the gold standard is like a man about to have a tooth pulled. He suffers and dreads the operation. But once the aching molar is out he is relieved and goes about his business.

Of course, it would be better not to lose the tooth, and he might not have lost it if he had had it properly treated when it first began to ache.

Of course, it would have been better if the United States did not have to go off the present gold standard, and it would not have been necessary if we had had leadership in Washington which would have acted last year, or even last spring, to remedy the world depression.

But now it's too late for half measures. The President's nostrums—liquidating and financing corporations are piddling attempes at temporary inflation. Probably no President has tried harder and performed more badly than Mr. Hoover. He has made economic mistake after mistake.

His advocacy of artificial maintenance of wages, his 1-year moratorium a year late, Farm Board, high tariff, are but a few of the major mistakes which have destroyed world confidence in our Government in spite of our possession of the greatest amount of gold in the history of our country.

From this loss of confidence has developed a national fear, a fear that has gripped and paralyzed the minds of our leaders. The common people are punch-drunk and dazed. Our "best minds" are impotent. Many plans and solutions of the present situation are offered, but all are complicated and would take years to put into effect.

The Gerard Swope plan is a notable instance. Swope, president of the General Electric Co., one of the greatest manufacturing companies in the world, suggests that each industry be allowed to combine and take care of its own unemployment situation. It's a great plan, but it would take a couple of years to sell it to the voters and another couple of years to put it into effect.

Congress can act to-morrow on the gold standard and end the depression within the week.

We wonder how many of our readers noted the word "present" in our first sentence. We advocate going off the present gold

standard. Congress could reduce the gold content of our dollar 25 per cent and relieve the tension, or it could go off the gold standard entirely, as we did during the war and at several other periods in our history. Which course is better is an open question. If Congress acts immediately, reducing the gold content of the dollar would probably be sufficient. If no action is taken now, it will undoubtedly be necessary to go completely off the gold standard.

Either course means inflation, and God knows the United States needs inflation and would welcome it!

What of the more than \$4,000,000,000 gold in the United States Treasury, our critics will say.

Of course, this gold will be depreciated. Suppose it drops 75 per cent in value—a loss of \$3,000,000,000.

But that is a drop in the bucket compared with the \$70,000,000,000 deflation of New York Stock Exchange securities since October, 1929; as much more in curb and unlisted securities throughout the Nation, in real estate and bonds, private businesses and inventories, so that \$300,000,000,000 is a conservative estimate of the deflation of values as measured against an inadequate money standard.

Abandoning that money standard might wipe out three billion of gold value but restore a major part of the three hundred billion in property and security values.

A sick world waits on the Congress of the United States.

### Federal Relief Appropriations

#### REMARKS

OF

HON. EDWARD P. COSTIGAN

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Thursday, December 17, 1931

OPEN LETTER TO THE PRESIDENT BY WILLIAM HODSON,  
EXECUTIVE DIRECTOR OF THE WELFARE COUNCIL OF NEW  
YORK CITY, IN THE SURVEY GRAPHIC FOR NOVEMBER,  
1931

Mr. COSTIGAN. Mr. President, I ask permission to have printed in the RECORD an open letter addressed to the President of the United States on Federal relief appropriations, by Mr. William Hodson, executive director of the Welfare Council of New York City. The letter appears in the Survey Graphic, published in New York City, for November, 1931.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

OCTOBER 13, 1931.

HON. HERBERT C. HOOVER,  
President of the United States,  
Washington, D. C.

MY DEAR MR. PRESIDENT: You have given the country assurance that suffering among the unemployed will be prevented, so far as possible, and alleviated where prevention has failed. By bringing Mr. Gifford and his associates to Washington to assist in the fulfillment of that pledge you have afforded the country inspiring leadership to which people everywhere are responding with confidence and enthusiasm. Nevertheless there is a growing feeling that the Federal Government may have to do more than stimulate and coordinate local effort. Many persons close to the actual problem foresee the possibility that local funds may not be adequate to meet the great distress which is anticipated this winter and that Federal appropriations will be imperative. The thoughtful citizen whose mind is not yet made up on this question finds himself in doubt on two points:

1. Is it true that many localities are unable to provide the money needed for unemployment relief? Is there any substantial body of fact, other than the horseback opinions of officials and social-service administrators, upon which to base a judgment?

2. If outside aid must be provided, can a Federal appropriation be so administered as to avoid the dangers of "pork-barrel" legislation with its paralyzing effects upon local initiative and its uncertain benefits to the millions of needy persons who are the intended beneficiaries?

The purpose of this letter is to suggest that reliable data can be secured on the financial competence of the local communities which would help to inform and guide public opinion. Further, should supplementation prove to be necessary, a Federal appropriation can be wisely administered on the well-established principles of grants-in-aid such as have been successfully provided for education, roads, infant hygiene, and so forth. In this connection may I commend to your consideration the report of the Subcommittee on the Federal Government and Child Welfare of the White House conference of which I had the privilege of being

chairman. This report, in discussing grants-in-aid, refers to them in part as follows: "It is the clear opinion of the subcommittee that grants-in-aid constitute a governmental technique peculiarly fashioned to the needs of the American people and nicely adjusted to the American governmental structure under the Constitution."

While this report was directed to Federal aid for child welfare its reasoning is pertinent to the not unrelated subject of unemployment relief. May I now deal more at length with the two points raised above and begin with the means of determining the adequacy of local funds.

The historic policy of America has been to regard the relief of suffering as a local responsibility. Each community ought to care for its own so long as it has the resources to do so, and under normal circumstances no other course of action would be suggested. However, it seems clear that in an emergency, history and tradition will not be permitted to stand in the way of meeting widespread human need once the need has been demonstrated. It is a fact that, with few exceptions, communities have been slow to recognize the full effect of existing unemployment on their people and have delayed too long the planning of all-inclusive, community-wide programs of relief. Reliable information on the numbers of unemployed has not been available until recently, and it has been difficult to determine how many of those unemployed were without reserves and in need of outside assistance. Bread lines constitute a visible and dramatic sign of want, but they give the public a wholly false idea as to the character and extent of real destitution. It is not the homeless man in the bread line, but the family in the tenement and on the farm which is our chief concern. However, we are getting below the surface, more adequate community plans are now being made, and each locality is beginning to make more satisfactory estimates of its total relief needs.

When the estimated cost is arrived at, it will be met in two ways: From the public treasury and by private philanthropy. How far can these sources of funds be expanded to meet the emergency demands? Since approximately 70 per cent of relief expenditures throughout the country is provided out of the public treasury, it is reasonable to suppose that taxation rather than free gift must be our main reliance. Can the local governments increase their taxes or enlarge their bonded indebtedness in the required amount?

The answer to this question will be determined for each community by the margin between its present total annual cost of government and the total amount which it is permitted to raise annually by taxation and the issuance of bonds. In some communities there will be no margin, because tax rates and bonded debt are already up to the constitutional limits. In others there will be a small margin and in still others a substantial margin which can be made available for unemployment relief. What is greatly needed at the present time is a rapid but objective study of the financial status of local governments throughout the country. Reliable information can be secured only by independent inquiry—telegrams to mayors, governors, and governing boards will not answer the purpose. It is recognized that such an inquiry is a tremendous undertaking, but it is by no means impossible nor impracticable in view of the great human issues involved.

If after such investigation it appears that relatively few local governments are without power to provide their own relief funds, special means might be devised to help them without resorting to a general Federal appropriation. On the other hand, if it turns out that a very substantial number of localities in various parts of the country are unable to bear the load, we shall know that Federal aid on a broad scale is inevitable. In the long run private philanthropy can only supplement taxation—it can not be substituted for public funds as a source of revenue for unemployment relief.

If the resources of local governments prove to be inadequate, in a substantial sense, the problem then becomes one of establishing a satisfactory partnership between the Federal Government and the localities in providing unemployment relief. It is clear that the substitution of Federal funds and effort for local revenues and initiative would be a tragic mistake. The power of the Federal Treasury must be used to help the destitute communities outright, to aid the more prosperous localities according to the particular measure of their need and to stimulate all the local governments to the utmost of which they are capable. We must establish a productive partnership which calls forth the best which the national and the local partners have to offer, thus swelling the total relief by the full contributions of each partner. If instead of this, millions of dollars are appropriated to be distributed on some rough measure of equity, like population, and without the most careful and discriminating type of administration, local effort will be paralyzed and the Federal Treasury will be substituted for the treasuries of the local governments, thus in the end decreasing the total available resources.

The distinction here is sharply illustrated by the difference between the way millions of dollars are ladled out to communities under the rivers and harbors appropriations and the wise expenditure of Federal money under grants in aid to stimulate local effort. In the former case the primary consideration seems to be that each locality shall get its share of the money available—a mere arbitrary division of a common equity. In the latter the gift is conditioned upon the locality providing sound education in agriculture, or building good roads, or rehabilitating disabled persons, or giving better care to mothers and babies. The more the locality does, the larger its share in Federal funds. The part



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of the Federal Government is to make its gifts of money a means of inspiring high standards of performance in the local communities.

As the report of the committee on the Federal Government and child welfare points out, the demonstrated advantages of Federal partnerships with the States through grants in aid are many, and the first one is that the principle of local administration of local affairs is preserved—there is no real danger of Federal bureaucracy. The initiative of the States is insured and their active acceptance of local responsibility encouraged by requiring them to match Federal appropriations with their own. Moreover, without jeopardizing local autonomy the Federal Government through its visitation and inspection can focus upon local administration the broad experience and expert knowledge of a central authority.

Grants-in-aid can be appropriately extended to unemployment relief and the difficulties of "pork-barrel" legislation avoided, provided broad authority coupled with wide discretion is vested in the administering Federal agency with only such general limitations and restrictions as experience with this type of aid has proved to be necessary and beneficial. Obviously, however, the usual requirement that the locality match Federal appropriations dollar for dollar must be modified by leaving the manner and amount of matching to the discretion of the administering authority.

Moreover, Federal money should be available for use in the localities for administrative purposes as well as for relief. There is a current notion that large relief funds will somehow administer themselves. Emergency committees are eager to announce that all their funds are for relief and that no part is used for administration. Yet every intelligent person knows that the history of relief throughout the world has been, until fairly recent times, a story of tragic waste where more harm than good frequently befell the beneficiaries. One reason for this result was the assumption that the distributing of funds to the needy did not require intelligence, experience, and wisdom coupled with human sympathy. Let us make no mistake in this emergency about the absolute necessity for competent administration with adequate personnel trained to its task. This applies both to the localities where relief is actually being dispensed and to the administering staff in Washington. The grants-in-aid provided in other fields have properly laid great stress on efficient execution of the law with as much safeguard against political interference in the choice of policies and personnel as is possible in this mundane world.

Mr. President, I offer all of the foregoing expressions of my personal opinion with some hesitation. Your high place of responsibility at the seat of government gives you knowledge and insight regarding the total situation which no citizen can possibly have. Moreover, it may seem gratuitous to offer suggestions to one of your distinguished service in relieving human distress in many parts of the world. However, it is given to you, out of your own unique experience, to provide the leadership which millions of suffering human beings await with a hope that holds despair in abeyance. Four fellow citizens appreciate the enormous responsibility which is yours, they understand your profound concern that suffering shall be reduced to a minimum, and they await your call to join in bold and constructive action for the public welfare.

Very respectfully yours,

WILLIAM HODSON,  
Executive Director the Welfare Council of New York City.

Philippine Independence

EXTENSION OF REMARKS

OF

HON. WILLIAM A. PITTINGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 17, 1931

RADIO ADDRESS BY HON. HAROLD KNUTSON, OF MINNESOTA, OVER STATION WJSV, DECEMBER 16, 1931

Mr. PITTINGER. Mr. Speaker, under leave granted me by the House to extend my remarks in the RECORD, I desire to insert a radio address delivered last evening by my colleague, Hon. HAROLD KNUTSON, of Minnesota, over station WJSV, on the question of Philippine independence.

The address is as follows:

It is no exaggeration to say that rarely, if ever before, has the world witnessed in any age or race or people a parallel for the sudden and apparently complete collapse that seems to have overtaken the movement for absolute independence in the Philippines. For more than 30 years their native press in flaming headlines, and their accredited leaders in raucous tones, have been denouncing American occupation. They have made the welkin ring with pleas for freedom and independence, while we as a nation have been held up to the scorn and contumely of mankind.

We have been painted as the fine flower of an imperialism which professes the blessings of a democracy at home but does not hesi-

tate to clamp the iron heel of despotism upon the necks of a distant, prostrate, and helpless people. The hatreds and jealousies of the Old World have been subtly and steadily fanned, not only by the Filipino leaders but by their drawing-room adherents in this country, who taunt us for a seeming inconsistency in enforcing the Monroe doctrine in the New World while pursuing a rôle of conquest and exploitation in the Orient.

And now when we announce our readiness to withdraw from a place where we have been proclaimed unwelcome, to stand aside and allow the Filipino people to step full panoplied and without the cost of either blood or treasure into a place among the nations of the earth, these self-same critics who have been denouncing us as despoilers reject that offer and begin to haggle, not on the lofty points of patriotism but in sordid terms of trade. Let those critics who are so prone to criticize America for her policy toward the islands contrast this picture with that of the Mahatma Gandhi, now traveling back from London to India in disappointment and sorrow because he has been unable to wheedle from the British the very gift we are now asking the Philippine people to accept.

Ever since we have held these islands it has been our practice to look upon our presence there more or less in the light of a temporary arrangement; the status of their people and the trade relations we should maintain with them are abstract questions in political science to be studied at leisure, shifted from time to time as exigencies might require, but ultimately to be settled by granting them full and complete independence. But, while this dilatory idea has prevailed with respect to administrative problems, economic forces have been intensely active in the Philippines. Especially has this been true of corporations. Manned by staffs of highly skilled experts and adequately supplied with funds, American and foreign corporations have been exploiting alike the cheap labor and almost inexhaustible supplies of free raw materials to be found in those islands. These products are then admitted on terms of equality to our home markets to compete with our own farmers and laborers.

This situation has been growing steadily worse with each succeeding year. The strides with which Philippine products have been displacing the output of our own farms and factories is told in terms that are exact and are at the same time shown increasingly alarming by the official records at our ports of entry. Two years ago, on the eve of the last Congress, when the Philippine question gave every promise of again entering upon a long period of academic discussion, I decided to cut the Gordian knot by introducing a bill providing for their early independence, not alone because of an altruistic interest in the Philippines but rather in the interest of the American farmer.

In explanation of that measure I acknowledged America's duty toward the Philippines and our solemn pledge to the Filipino people, but at the same time I placed the best interests of America first. I pointed out that:

We have been playing the good Samaritan to the less fortunate of other lands since the Republic was founded. American blood has been shed in the Philippines, Cuba, Haiti, Santo Domingo, Nicaragua, not to mention France and Belgium; and for what? To establish peace and security for peoples in no way related to us. We have relieved distress where there was hunger and established orderly government where there was anarchy. Surely, if we were to retire from the Philippines at this time, we could not be justly accused of selfishness with that fine record of unselfish disinterestedness behind us.

Personally, I believe the Filipinos to be ready for the independence promised them by the martyred McKinley and reiterated in nearly every political platform adopted by the two major parties since 1900. They now have a stable government, elected by the suffrages of the Filipino people and supported by them; they have demonstrated their ability to maintain that government, and we have no reason to doubt their capacity for fulfilling any international obligations which they may assume. What more can we reasonably expect of any people who may aspire to political freedom and complete self-rule?

I have seen no reason to alter the opinion then expressed, although many Filipino leaders since that time have themselves shifted their position.

While various American interests, notably among them the domestic sugar producers, are opposed to admitting unlimited quantities of Philippine products to our home markets on terms of equality with our own, I am primarily concerned with protecting the American dairy interests from this unequal and unfair competition. The deplorable condition of the American dairy farmer has not changed for the better since I discussed this question on the floor of the House on December 14, 1929. At that time I pointed out that we were within 2 per cent of the saturation point in the production of dairy products in the United States. There was then 140,000,000 pounds of butter in cold storage, an increase of 33,000,000 pounds over the preceding year. In addition there was in storage 300,000,000 pounds of condensed and evaporated milk, 23,000,000 pounds of dried milk, and 78,000,000 pounds of cheese, making a total of 540,000,000 pounds of surplus dairy products in storage at that time. Conditions are relatively worse to-day than they were then, as was disclosed by the recent hearings on the Farm Board before the Senate Committee on Agriculture. In its second annual report just published the Farm Board points out that during the past year the butter producers have been compelled to reduce their marketing margins and only through reduced retail prices and the

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elimination of every possible distributing cost has consumption been maintained.

The board frankly adds, however, that, and I quote—  
"Reduced consumer purchasing power, reduced fluid-milk consumption . . . complicated the problems of the dairy co-operatives during the past year."

While our own farmers were unable to pay taxes, reduce mortgages and even to purchase for their families the necessities, much less the comforts of life, let us see how fared their competitors in the Philippines who are rapidly crowding the American dairy farmer out of the home market. As against the American dairy cow that has to be housed, fed, and cared for every day at great expense, we have introduced as a competitor the coconut cow. In his last report, upon which the ink is scarcely dry, the Chief of the Bureau of Insular Affairs announces that on one plantation in the Philippines during the past year 50,000 coconut trees were planted and that during the past 15 years Filipino farmers have planted more than 50,000,000 coconut trees. There are now under agricultural development over 9,284,856 acres, an area more than 65 per cent greater than was in cultivation 20 years ago. Nor are these figures surprising when it is recalled that we furnish a free market for 72 per cent of their exports, valued at \$183,525,090 while in return they absorb but 1.6 per cent of our own exports. If any one entertains any doubt as to the outcome of the contest between the Philippine coconut forests on the one hand and the American farms that produce butterfats, lard, and cottonseed oil on the other, all that is necessary to resolve that doubt is to see how the imports of copra from the Philippines have been growing since our manufacturers of soaps, paints, condiments, and food preparations settled upon the Philippine product as a cheaper and equally satisfactory substitute for the products of our own farms.

As I pointed out when I introduced my bill to give independence to these islands, we are importing from them "over 700,000,000 pounds of vegetable oil annually. These huge importations go into the manufacture of butter substitutes, and they enter into direct competition with the various interests of the country, with the swine raisers, because they compete with animal fats, also with the cotton grower and his cottonseed oil, so that the South is equally interested with us of the North in seeing that this unfair competition from the Orient is stopped."

Perhaps no higher authority could be quoted on this question than the head of that nationally known institution, the Land O' Lakes Creameries (Inc.). At the time I introduced the Philippine independence bill two years ago, Mr. John Brandt, the president of that institution, wrote me a letter, in the course of which he said:

"I am very much interested in the bill you recently introduced. . . . One of the greatest causes of dairy overproduction in the United States is the import of foreign oils that are taking the place of products we might well raise on our own farms."

"You will have the united support from the dairy industry and the cooperative organizations for the bill you have introduced. If independence of the Philippines can not be accomplished, we are in hopes that all of our Representatives will support a higher duty on vegetable oils as the exclusion of these products will be of greater assistance to the agricultural industry."

Mr. Brandt states the position of the dairy interests fully and completely.

Inasmuch as the plight of the cotton farmer is the same as that of the dairyman of my own State, I have felt that it was entirely proper to point out that the Southern States have a common interest with those of the North and West in seeing that proper steps are taken to protect our farmers against this rising flood of copra and vegetable oils that are coming in duty free from the Philippines and other far-eastern islands.

I do not have the time to enter into the details of the legislation, but I do want to go on record as saying emphatically that I am opposed to any injustice or to any discrimination that will unfairly operate against the Filipino people. I do insist, however, that as a matter of protection to the American farmer the imports from the Philippines entering into competition with American agriculture should be placed on exactly the same footing as the imports from Argentina, Canada, Cuba, or any other country seeking to invade the American market and to displace the products of the American farm.

As to their sugar and other products which enter our markets in competition with produce made from rival American investments in other outlying countries I have not the time to speak on this occasion. What I am mainly interested in is to save our small American farmers who live in our own country and are attempting to bring up their families according to the standards of American living from the unequal and deadening competition of the Orient.

The Philippine independence movement in this country is predicated largely upon economic grounds. Should it be found inexpedient to grant immediate independence, then we should gradually put into effect the tariff rates on importations from the islands that are in effect on importations from all foreign countries. If that be done, we can not very well refuse the pleas of the Filipino people that they be given 5 or 10 years in which to set up such machinery as may be necessary to the conduct of a free and independent government. Such a program would not, I believe, prove objectionable to the best interests of agricultural America, for the primary purpose of our aims would then be realized. In closing, let me venture the conviction that when we withdraw from the Philippines we should do so lock, stock, and barrel, and without entering into any commitments as to their future.

"Relief by Guess"

REMARKS

OF

HON. EDWARD P. COSTIGAN

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Thursday, December 17, 1931

ARTICLE BY R. L. DUFFUS IN THE NEW REPUBLIC, OCTOBER 7, 1931

Mr. COSTIGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the New Republic of October 7, 1931, by Mr. R. L. Duffus, entitled "Relief by Guess."

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

[From the New Republic, October 7, 1931]

RELIEF BY GUESS

The second winter of the worst depression of modern times finds the United States in the position of an army with only a vague idea of the number and resources of the enemy it has to fight, and with an almost equally vague idea of the extent of its own ammunition and the adequacy of its service of supplies. The list of things we do not accurately know about unemployment and the probable needs of the unemployed during the coming winter would, if filled out, constitute a statistical description of the depression. We do not know the exact number of the unemployed, though Mr. W. P. Mangold, in the New Republic of September 9, using all available data, arrives at an estimate of between 9,310,000 and 10,560,000. We do not know how many of the unemployed still have access to resources which will tide them over without resort to public or private charity. We do not know how much it will cost to give public or private relief to those who will suffer without it. We do not know whether the existing and proposed means of obtaining this problematical sum will actually suffice to produce it. Yet without this knowledge relief work is guesswork. If we guess wrong we may find ourselves facing a major crisis before spring.

Efforts to collect and analyze information as to the actual need and the amount and sources of probable relief have indeed been made by various agencies, notably the Association of Community Chests and Councils and the Chamber of Commerce of the United States. But no comprehensive figures for the entire country have been arrived at, or at least have been made public, and it is by no means certain that any will be. One reason for this, no doubt, is the difficulty of the task and another is the belief of the national administration and of organizations which share its policy that relief should be locally provided for and locally administered.

But accepting it as inevitable that there is to be no authoritative national canvass of the situation, we may legitimately ask how the system of local relief is working out and is likely to work out in representative American cities. The New Republic put this question, in somewhat more elaborate form than it is stated here, in a questionnaire recently sent out to heads of charitable organizations in a number of the leading communities. The results are not comprehensive but they are significant.

As might be taken for granted, practically every city expects to have to spend more on relief this winter than it did last winter. In New York City, according to a letter from Mr. William Hodson, executive director of the welfare council, the total for the 12 months from October, 1930, to October, 1931, was about \$23,605,000. This estimate, like other similar ones, is exclusive of unreported items which can not be traced and of expenditures for veterans' relief, relief to the blind, assistance given the aged, and aid to mothers. These latter categories represent money paid out according to law in good years and bad, though Mr. Hodson points out that relief work of this kind has had to be greatly expanded because of the depression. Leaving these items out, Mr. Hodson believes that public and private charity in New York City will have to provide between \$30,000,000 and \$35,000,000 during the coming winter.

In Chicago the principal charity organizations are joining to raise \$8,800,000, or \$3,800,000 more than was raised last year. In Cleveland \$930,000 was spent for material relief in 1930, and Kenneth Sturges, general manager of the community fund, puts the corresponding total for 1931 at \$2,640,000. It is expected that expenditures in 1932 will be as great or greater. To help meet them the voters of Cuyahoga County, 75 per cent of whose population lives within the Cleveland city limits, are being asked to approve a special 1-mill tax, which will provide \$2,100,000 or more. St. Louis has spent about \$750,000 on relief of the unemployed since October, 1929; between now and April 1, 1932, it is thought that another \$1,000,000 will be required. In Cincinnati more than

\$1,000,000 has been spent to date, and it is unofficially estimated that at least as much will be needed this winter.

Substantially the same situation is reported in other cities. Seattle has spent \$1,910,000; it will need \$1,500,000 or more this winter. Baltimore will have spent about \$1,000,000 during the calendar year of 1931; it will need at least \$1,750,000 for 1932. Dayton spent \$636,000 between October 1, 1929, and August 31, 1931; for the six months ending April 1, 1932, it will require \$400,000. St. Paul spent \$426,674 in 1930 will probably have spent \$605,654 for the year 1931, and is expected to need \$760,000 for 1932. Pittsburgh expended \$2,000,000 from the beginning of the depression to August 31 last, and require \$3,750,000 for the coming winter. Dallas spent \$483,000 during a corresponding period and will spend \$750,000 for the coming winter.

These estimates are, of course, important as ratios rather than as totals. It is the percentage of increase that reflects the real seriousness of the situation, as it is seen by those whose profession brings them closest to it. The next question is where the money needed is coming from—and, perhaps, whether it is coming at all. As the New Republic recently pointed out, more than 70 per cent of the relief funds are coming from public sources. In certain cities the percentage runs as high as 95. A few examples of big cities as well as little ones will show how much diversity there is. In Spokane private charity furnished \$60,000 of the \$300,000 spent up to October 1, 1931. It will be asked to give \$50,000 for the coming winter—25 per cent instead of 20 per cent of the whole. Little Rock has raised \$48,000 since October, 1929, with private charity furnishing \$29,000 and the city government \$19,000. It plans to raise \$50,000 this winter, of which the city is expected to furnish only \$3,000.

Five-eighths of Providence's total of \$800,000 has come from private charity, but it is expected that private givers can furnish only \$225,000 of the \$600,000 required for the winter's needs. Dallas expects to get only \$200,000 of the \$850,000 needed from public funds. In Pittsburgh private charity furnished \$1,371,200 out of \$2,000,000 spent, and private sources are relied upon to furnish \$3,500,000 out of the \$3,750,000 needed this winter. St. Paul has steadily increased its use of tax money for relief, and the tentative estimate for 1932 calls for only \$160,000 out of \$760,000 to be furnished by private donations. Hartford is raising about \$200,000 from private contributions and \$550,000 from public funds. In Dayton private charity raised nearly half the relief fund expended to date, but the estimates for this winter give it a quota of only \$150,000 out of a total of \$400,000. Cincinnati has raised \$700,000 by private gift and \$400,000 by city and county appropriations. This winter it is expected that private charity will yield \$250,000 and public funds \$750,000. If the mill tax already mentioned is accepted by the voters of Cuyahoga County in November, 80 or 90 per cent of the relief funds needed in and around Cleveland may come from this one source.

One of the questions asked in the New Republic's questionnaire was, "Do you find any evidence that the sources of private charity are drying up?" The answers are pertinent at this stage of the discussion. On the whole, they are encouragingly negative. "All classes are giving more than ever," replies Director Harry M. Carey, of the Community Welfare Federation of Wyoming Valley. Others who replied gave such answers as: "Apparently not; our fall chest campaign will tell the story"; "Not at this moment"; "Not for relief, but much less willingness to support educational and preventive programs"; "Not yet"; "No; but years like this one make it difficult to raise money"; "No—on the contrary, some are eager to respond"; "Yes; even to the extent that collections on last year's pledges are extremely hard to make at this time."

One can not make statistics out of human emotions, and it is too early to make a guess as to whether the public will provide, through gift or taxation, enough to meet this winter's crisis. That actual starvation will be permitted is unthinkable, though it is depressingly not unthinkable that thousands will suffer from malnutrition, inadequate shelter, and insufficient clothing. But the question is how near private charity can come to carrying out the job it has undertaken, and, if private charity fails, how soon public charity can step in. Individualism is apparently scheduled to have full opportunity in the work of relief, just as it had full opportunity in producing the conditions which now make relief necessary. Will the experiment succeed? And, if not, how far will it be carried? On these points we can get very little light. We must suppose that the social workers who make estimates of coming needs are acquainted better than most of us with the usual forewarnings of those needs. But a social worker can not know to what extent, if any, business will revive during the next six months. Consequently the best estimates of the proportion of the national income which must be diverted to keep alive those who will have no incomes this winter are only guesses.

It is on those guesses that plans for relief have to rest. And these plans rest also, in so far as they are not governmental, on what part of their surplus individuals can and will give. "We are hopeful, but it will be hard work." "It will be hard to obtain." "We hope to raise approximately the amount. We have no assurance." "We feel optimistic." Prospects for raising the sums needed are "fair" or "good." Such are some of the comments made in answer to the New Republic's query, "What reasonable expectation is there that the balance necessary will be obtained?" The charitable organizations can not allow themselves to be pessimistic. Yet until the money is not only promised but actually in their bank accounts, they can not be sure that they are to have all they need.

The uncertainty of the situation might have been expected to raise doubts in the minds of social workers as to the adequacy of the present means of dealing with it. But there is a good deal of testimony to the contrary.

"I believe," writes Mr. David Armstrong, secretary of the Worcester Welfare Federation, "that there will be many people receiving aid for the first time in their lives now who will very readily develop an expectancy to be relieved the next time they have any difficulties. I believe that this expectancy would grow tremendously if there were a huge Federal appropriation that everybody knew about. I believe that the longer we can continue with the principle that each community should take care of its own, the better off the country will be as a whole."

"I am personally opposed to Federal aid for unemployment," declares Secretary Burt, of the Providence community fund. "I believe that this opinion is shared very largely throughout the State of Rhode Island." John F. Hall, of Seattle, would accept Federal aid "as a last resort," but adds:

"In our present unemployment crisis there has been evidence of a deepened sense of responsibility for all its people on the part of the local community. This social sense, or whatever you choose to call it, is the most promising foundation we have on which to build preventive and constructive measures to lessen unemployment. A Federal dole is likely to help establish relief as the answer to unemployment, whereas it should be considered only a makeshift."

One hardly needs to point out that the replies to the New Republic's questionnaire cover only the situation in the larger cities. They leave untouched the condition in the small towns and in rural areas. There are whole regions in the United States where, for one reason or another, distress is acute and relief agencies are either lacking or are inadequately financed and equipped. In the coal-mining areas in Pennsylvania, West Virginia, and Kentucky many thousands of miners and their families are destitute partly because of strikes, partly because of low wages and irregular employment even among those who have continued at work. The same situation prevails among the textile workers, North and South. In the South, those dependent upon cotton for their livelihood are all but bankrupt. In the wheat-growing areas in the Northwest, one hears of farmers so hard up that in some counties in North Dakota, for instance, they have come together in mass meetings and agreed to pay no more interest on mortgages and other loans until times get better. In many other districts the droughts of 1930 and 1931, and this year's grasshopper plague, have caused tremendous suffering which will not be reached by the community chests or any other form of organized urban relief.

Another group which is beyond the reach of professional charity work is the thousands of unemployed men—and sometimes women—who take to the road, either in hope of finding a job somewhere else, or just drifting. Railroad men know what their problem is like, and a writer in a recent issue of Labor, the official organ of the brotherhoods, tells something of present conditions. He describes "veritable armies of migratory workers wandering from place to place, swarming over railroad trains, congregating in camps—'jungles' they are called—and trying desperately to maintain a miserable existence." This writer tells of a freight train in Utah recently which carried 92 persons, including 3 women and a baby. In view of the emergency, the old rules against carrying these "deadheads" have been relaxed, and from 60 to 200 on a train are not at all uncommon. The Denver & Rio Grande Railroad carried 11,000 such persons in July. The president of one road estimates that his line is killing two or more vagrant riders every day when these men, often weak from hunger or fatigue, slip off the brake beams or fall between the cars. Near Vancouver, a thousand or more "drifters" have congregated in a camp near the city, where lack of sanitation has caused an outbreak of typhoid and endangered the health of the whole community.

Returning to the statements of social workers on the general question of urban relief, let us quote for a final and striking analysis of the problem, Director Hodson, of the Welfare Council of New York City. Mr. Hodson believes in "Federal aid for unemployment relief under certain conditions and with certain safeguards." He continues:

"The primary responsibility for relief properly rests upon the local community. As to the ability of the local communities to meet this crisis, no one is in possession of the facts. There ought to be a survey of the financial condition of the cities and counties of the country to determine the present status of their tax-levying and debt-incurring powers. In those areas where these powers are exhausted the Federal Government will undoubtedly have to help, and if there are a substantial number of communities thus situated it may be necessary to pass a general appropriation act."

The last question in the New Republic's list was, "Does the experience of this depression suggest any better way of dealing with the needs of the unemployed than that now practiced?" This brought out a number of constructive suggestions, with considerable emphasis upon unemployment insurance, or the creation of an unemployment reserve fund. The creation of a reserve by private charities was also proposed, and the establishment of permanent unemployment committees on the pattern which seems to have worked well in Rochester, N. Y. "Some protection should be devised for the workers," thinks Secretary Atwater, of St. Paul, "so that when you have an able-bodied person, willing to work, who can not find work, he does not



have to suffer the indignity of relief subsistence." Director Hodson "is fully convinced that some kind of unemployment insurance is necessary if we are to mitigate for the future the hardships of unemployment," but points out that "such insurance is only palliative in the absence of national planning for industry and some improvement in our economic order." From but one city in the entire list of those from which answers were received did there come any note of entire satisfaction with the existing scheme of things. This was Charleston, S. C. "I believe," states Miss Georgia L. Jatho, of the Charleston community chest, "we have the problem fairly well solved. Should a dire emergency arise this winter, we will look to those in the higher scale of giving to come forward, which they have never failed to do if convinced."

What impression does one derive from the sum of these answers? Unmistakably those who have sent them are taking their jobs seriously. Yet, beyond the perception of the immediate task and the impending necessity, almost all are groping in the dark. Unemployment has to be treated as though it were what the insurance companies call an "act of God," not to be foreseen, not to be prevented, but to be dealt with as humanely and wisely as possible when it occurs. The social worker can not do otherwise. His position is analogous to that of a fireman in a community which has no fire-prevention laws.

But back of the social worker are communities, and back of the communities a Nation, not yet organized either to prevent unemployment or to deal with it adequately when it becomes a desperate problem. No one now doubts that the causes of economic depression are more than local and more than national. Yet, putting aside entirely the question of Federal aid, there exists no national body of information and no national pattern of action that can be brought to bear in this crisis. Perhaps we shall have both information and pattern before the next depression. For the present and for the coming winter we shall apparently rely on rule of thumb, preserving our individualism and our local independence, but allowing countless human lives to be broken because we did not, on a nation-wide scale, foresee and prepare.

R. L. DUFFUS.

### Taxpayer Peril in Moratorium

#### REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Thursday, December 17, 1931

ARTICLE BY SENATOR SHIPSTEAD, OF MINNESOTA, IN THE MINNEAPOLIS STAR, OCTOBER 8, 1931

Mr. McKELLAR. Mr. President, on the 8th of last October there appeared in the Minneapolis Star an article written by the senior Senator from Minnesota [Mr. SHIPSTEAD] in regard to the moratorium. I ask that the article be printed in the Appendix to the Record.

The VICE PRESIDENT. Is there objection?

There being no objection, the article was ordered to be printed in the Record, as follows:

SHIPSTEAD SEES TAXPAYER PERIL IN MORATORIUM—AMERICAN PEOPLE WILL HAVE TO CARRY BURDEN OF EUROPE'S FROZEN BANK CREDITS IF DEBT RECESS IS EXTENDED BEYOND ONE YEAR, MINNESOTA SENATOR DECLARES

(By Senator HENRIK SHIPSTEAD)

Extension of the moratorium beyond one year, which according to the press is being considered by the President, means that the American taxpayer will have to carry the burden of frozen bank credits in Europe.

This means guaranty by the American Government of bank deposits of Europe.

If the American taxpayer is to be taxed to save frozen bank credits in Europe, why should he not be taxed to compensate depositors of busted banks in the United States?

COULDN'T PAY INTEREST

When Germany could not pay reparations nor interest on its bonds sold under the Dawes and Young plan the moratorium was invoked. It is quite generally understood in Europe that Germany could not have paid reparations even had there been no moratorium declared. Under the moratorium the American taxpayer is practically the only taxpayer who makes a sacrifice. The British taxpayer loses a few millions, but one year's moratorium will cost the American taxpayers something like \$250,000,000.

In figuring the cost of the moratorium to the taxpayer it means that sum must be paid out of taxes this year in interest on Liberty bonds. The moratorium's postponement, if cancellation is agreed

to, means that the American taxpayers pay the entire debt of about ten billion.

The moratorium means that the American Government, the only Government who could collect anything, will not collect from France and England what they owe us on money borrowed after the war. France and England get the benefit because they could pay. In my opinion, it does not change the status of Germany because Germany couldn't pay anyhow. It is hoped that by placing the burden of payment of interest of the war debt on the American taxpayer that European credits will be released to such an extent that frozen American bank credits that can not now be collected in Europe can at least be collected in part.

#### AT TAXPAYER'S EXPENSE

When the Dawes and Young plans were sold to the United States the bankers of Europe knew that it was only a question of time when the Government of the United States would have to make a decision as to whom it would protect, the American taxpayer or the American banker and investor in foreign securities. That time is now here. It was here when we decided on the moratorium. A prominent European banker told me that he had no doubt that the Government of the United States would decide to protect the investor in foreign securities at the expense of the taxpayer. He further stated that he made the statement four years ago. Coming events will show us whether or not European bankers know more about our future governmental decisions than we do ourselves.

When American bankers could sell no more European bonds here they loaned the depositors money in the form of short-term credits to European banks.

#### REVELATION TO WORLD

Lord Beaverbrook, the great British publisher and authority on finance, was quoted on August 19 as saying:

"We find, referring to American and British short-term credits, no man would conceive that such huge figures could have been reached. They were a revelation to the world. It is fortunate for Great Britain that New York is more heavily involved than we."

"The great question in Great Britain is whether or not the Government will pledge the national credit to restore the German situation. The same situation applies to the United States."

The suggested extension of the moratorium means merely progressive cancellation of debts of France, England, and Italy. That means money borrowed by those Governments after the war was over.

#### SHIPSTEAD IN 1924 SAW DAWES PLAN KICK BACK AND SOUNDED WARNING

Senator HENRIK SHIPSTEAD, a recognized authority on finance, writing in the Minneapolis Star seven years ago to-day, predicted with almost uncanny accuracy the kick back which might be expected from the Dawes plan, which he termed "a gold brick loaded with dynamite." His prophecy, which is a tribute to his foresight and a ringing answer to critics who have asked why he was not telling us years ago that our international bankers were involving us more and more deeply in the chaos of Europe. He did that very thing.

When he was inveighing against the Dawes plan back in 1924, the Wall Street Journal took him to task severely for his attitude and charged that he had never read the plan or he would not make such statements. Turn to page 2 of this issue for a reproduction of Senator SHIPSTEAD's warning, written in the Star on October 8, 1924, and see how well he read the future.

### Congress and Public Opinion

#### EXTENSION OF REMARKS

OF

HON. GRANT E. MOUSER, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 17, 1931

RADIO ADDRESS BY DAVID LAWRENCE, EDITOR OF THE UNITED STATES DAILY, DECEMBER 13, 1931

Mr. MOUSER. Mr. Speaker, under the leave to extend my remarks in the Record, I insert a radio address by David Lawrence, editor of the United States Daily, December 13, 1931.

The address is as follows:

Just the other day some one said to me: "Government is unpopular; people don't like it." I realized how often I had heard something of the same kind for years. I recognized, as no doubt you will, the rising criticism of government as if it were a strange, abstract power, as if it were something that didn't belong to each and every one of us, as if it were a separate and distinct part of our national life.

Also many of you have heard, no doubt, the other point of view, especially when trouble or distress or disaster face us: "But can't the Government do something about it? Why shouldn't the Government help?" These and similar questions reveal the currents and trends of our thinking about government, and you might well ask the meaning of such apparently conflicting concepts.

Well, let us consider for a moment the past week. Congress has assembled under circumstances strangely unlike anything else we have witnessed in our lifetime. Business is depressed. The world is full of unrest and uneasiness, and economic trouble washes every shore and touches every land. Mingled feelings express our attitude toward the meeting of Congress. Some people say: "Ah, here is cause for more uncertainty, more disturbance, more psychological uneasiness at a time when there should be steadiness." Others say: "At last something can be done; we have been drifting too long."

In these reactions again I have indicated the lines of cleavage, the two schools of thought toward government itself.

I have been in Washington 21 years. I have been studying government nearly 30 years. I have been groping, as many of you have, for the answer to such questions as I have just propounded. I have not grown cynical and brushed it aside as just so much politics, so much self-seeking or self-glorifying individualism. I have not been disappointed because I have seen Congress from time to time adopt legislation I have thought unwise or taken steps that I believed were impractical. I have instead come to some definite beliefs about government, which, it occurred to me, were especially characteristic of the situation in which we find ourselves this week.

Anybody who sees Congress year in and year out can, if he likes, think of it as an impersonal institution. But I can, if I can think only of the men I know, of their background at home, of the cities and towns they leave and the people they serve. If business is bad, is there a single Member of Congress who doesn't know it or feel it? Is there a single constituency in the United States which is not affected by our economic problems?

These Members of Congress, collectively or individually, can not be accused of being less interested in the public good than you or I. It is their business to represent the wishes of the people.

Yet, I can hear the critics say: "That's all right in theory, but what do these Congressmen really represent? Aren't they thinking of their own political fortunes—aren't they individualists after all?"

I will readily admit that there are men back home who could do a better job than some who are sent here. But we can not forget that, speaking by and large, every Member of Congress is the choice of some district or State, elected after a nominating contest, as a rule, and finally in an election in which one or more candidates appear. To be elected to Congress a man must have been at least a personality or have had something in his make-up which appeals to thousands and thousands of people.

For we are dealing here with elected representatives of the people. Every two years we can change every single Member of the House of Representatives—the whole 435 of them if we like. And every two years we have a chance to vote on whether 32 Members of the Senate shall stay in office or be retired in favor of 32 others. If we don't like our Congressmen we can elect others.

I recall these fundamental facts to you because they are so readily forgotten. Too many people are quick nowadays to condemn representative government, when, in fact, they do not care to utilize its remarkable processes.

For when you hear the comment: "Take the Government out of business," or "We must not let the Government do this or that," or "There's too much government and too many laws," we are merely indicting ourselves.

It is difficult to imagine why anybody should talk disparagingly of government without accusing himself or all of us of the very same thing. For, indeed, to me there is no such thing as a separate government, a separate entity, visualized by the word "government." There is no more reason to attack one's government than there is to condemn the trade association to which our business belongs or the fraternal order we have joined.

For the Government is not an alien thing—just a lot of buildings with an army of clerks in them or officeholders. Our governmental establishment is not foreign owned. It belongs to us. It is what we have made it. And if we don't like it we can unmake it and change its personnel and even rearrange its functions.

We may not like a man we have elected to office. We may not like a political party. We may not like a particular part of the Constitution, but does this justify us in making the sweeping assertion that all Government officials are corrupt, are wasteful, are bureaucrats, that all political parties are unpatriotic, and that the whole Constitution is obsolete or unworkable?

We show tendency to generalize, unfortunately, at a time when we should be specific. For the man who lambasts all government because he doesn't like a particular act is using the same phrases as the individual who attacks government because he wants anarchy. Both use the same approach. Both tend to undermine confidence in government; both are inclined to weaken the faith so essential to the success of a democracy.

What, then, are the causes of this abuse of Government, this constant show of contempt whenever it is suggested that the Government might help or the Government might tax or the Government might enact laws that we dislike? It is, to my mind, due to our unfamiliarity with the processes of representative govern-

ment and our unwillingness to participate in them or be tolerant of the rights of others in a national community.

I said Congress met this week. How many people are predicting that Congress will do the wrong thing rather than the right thing; how many people are mistaking the wholesome exposure of views that comes out of controversial debate for the chaos or confusion that they seemingly attribute to all legislative bodies?

I have no such fears about Congress. I have watched its deliberations and have often disagreed with its conclusions. But I believe Congress is more often right than wrong. Five hundred and thirty-one men do not set about to ruin business or impose hardships on the rest of us. They do about what they think the people want them to do, and if the people do not manifest their wishes or desires, Members of Congress use their own judgment in expressing the public will.

Now, that's exactly where the difficulty arises. How does Congress know the public will? What do the people really want their Government to do? It is just that phase of the question which is the most perplexing of all and from which most of the misunderstanding about popular government really arises.

How about the letters and telegrams from constituents? How about the editorials in the press? How does public opinion form itself anyway? Here we come to something almost indefinable. For we may perceive the operations of public opinion, its indications of approval or disapproval, without always clearly seeing the forces that motivate its currents.

I presume at this point I ought to define that much-used term "propaganda." For there are many people who think propaganda decisively influences legislation. I think it plays a part, but a minor one. Propaganda is a word that has a good as well as a sinister significance. But because we associate it with improper influence it is more often regarded, as is the word "lobby," as if it were spurious. I believe that comes from the fact that too often letters and telegrams and communications ostensibly ask for one thing when concealed behind the words is some other motive or selfish purpose. A member of Congress is more impressed by a frank statement than a camouflaged argument. He can detect hypocrisy and insincerity more rapidly than the average man. The hard school of politics gives him that training.

I could not define if I tried the numerous ways in which public opinion manifests itself and actually affects the course of Congress. But I contend that it does. I am convinced we have a Government by public opinion. I have never lost my faith in that underlying principle. But I can see why it is vague, why it is often difficult to trace. It is because the people for the most part do not take the trouble to express their wishes. It is because we do not assert our individual rights as citizens of a representative Government. We do it in business in the sense that as stockholders we let the management alone if it is efficient and turn it out when things go wrong. But in government we don't exercise ourselves very much about the personnel of management. And I am afraid it's because we have not yet come to regard government as our own creature, as our own mouthpiece and spokesman. We prefer, unfortunately, to think of government as belonging to a group of politicians or so-called leaders, as if they constituted a kind of ruling class.

I assure you that, with a few exceptions, the politicians do not regard themselves as the sole owners of government. No group of men is more sensitive to the currents of opinion or more anxious to detect changes in popular thought than the men in public office. Politics, like the word "propaganda," has a good as well as a sinister meaning. In its worst sense it is the playing of individual forces for personal gain and advancement. In its finest sense it is an attempt to understand what the people want or what they should want if they were as familiar with the facts and circumstances as are their chosen representatives.

The element of judgment plays a vital part. Given all the facts, what course should be taken? Members of Congress are only human—they are neither "allible nor gifted with supernatural powers of insight. They are misled by demagogues and propaganda at times; they are diverted by powerful groups that menacingly assert themselves. So, it may be asked, Would they not profit by an aggressive, alert public opinion?

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Also many of you have heard, no doubt, the other point of view, especially when trouble or distress or disaster face us: "But can't the Government do something about it? Why shouldn't the Government help?" These and similar questions reveal the currents and trends of our thinking about government, and you might well ask the meaning of such apparently conflicting concepts.

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much about them or get fact information about them. As a consequence, organizations, individuals, demagogues, persons with an axe to grind, adroit in invoking prejudice and passion fill us with slogans that catch the popular fancy and these waves of prejudice come dashing back to plague the Member of Congress. Sometimes he perceives them as the mere prejudices of an uninformed electorate. He wonders whether he should be guided by such influences or stand on convictions he has formed in his study at first-hand of all the facts.

Here we come to the inevitable conflict of personal advancement, the petty side of politics, and true statesmanship and public service. Here is where you suggest that a man should rather risk defeat than change his convictions. But human nature does not always make the solution so simple. It is humiliating to taste defeat.

What we need in public life is more men of moral fiber and courage, men who dare to be wrong, who are willing to sacrifice political careers for a conviction, men who can smile at the threats of groups and well-organized machines and associations that wield political power and propaganda, men who will make a painstaking effort to understand the facts of our national life and vote as their conscience dictates.

I am not even by inference seeking to disparage the Congress we have. I am trying to point out that government belongs to nobody but ourselves, that we can make it what we wish, that we can guide it, help it, serve it, but we can not do so by indifference. True citizenship is an obligation as deep and essential as true religion. It can not be delegated. It is individual and personal. The divine right of kings has given way to the divine right of sovereign thought in this the largest experiment in representative government the world has ever seen.

#### LAW AND RULES FOR PUBLICATION OF RECORD

##### CODE OF LAWS OF THE UNITED STATES

TITLE 44. SECTION 181. CONGRESSIONAL RECORD; ARRANGEMENT, STYLE, CONTENTS, AND INDEXES.—The Joint Committee on Printing shall have control of the arrangement and style of the CONGRESSIONAL RECORD, and while providing that it shall be substantially a verbatim report of proceedings shall take all needed action for the reduction of unnecessary bulk, and shall provide for the publication of an index of the CONGRESSIONAL RECORD semimonthly during the sessions of Congress and at the close thereof. (Jan. 12, 1895, c. 23, § 13, 28 Stat. 603.)

Pursuant to the foregoing statute and in order to provide for the prompt publication and delivery of the CONGRESSIONAL RECORD, the Joint Committee on Printing has adopted the following rules, to which the attention of Senators, Representatives, and Delegates is respectfully invited:

1. The Public Printer will arrange the contents of the RECORD as follows: First, the Senate proceedings; second, the House proceedings; third, the Appendix: *Provided*, That when the proceedings of the Senate are not received in time to follow the arrangement, the Public Printer may begin the RECORD with the House proceedings.

2. The Public Printer shall begin the proceedings of each House and the Appendix on a new page, with appropriate headings centered thereon.

3. The Public Printer shall print the verbatim report of the proceedings and debates of the Senate and House of Representatives, as furnished by the official reporters of the CONGRESSIONAL RECORD, in 7½-point type; and all matter included in the remarks or speeches of Members of Congress, other than their own words, and all reports, documents, and other matter authorized to be inserted in the RECORD shall be printed in 6½-point type; and all roll calls and lists of pairs shall be printed in 6-point type.

4. When copy is submitted to Members for revision it should be returned to the Government Printing Office not later than 9 o'clock p. m., in order to insure publication in the RECORD issued on the following morning; and if all of said copy is not furnished at the time specified, the Public Printer is authorized to withhold it from the RECORD for one day. In no case will a speech be printed in the RECORD of the day of its delivery if the copy is furnished later than 12 o'clock midnight.

5. The copy of speeches containing large tabular statements to be published in the RECORD shall be in the hands of the Public Printer not later than 6 o'clock p. m. on the day prior to their publication.

6. Proofs of "leave to print" and advance speeches will not be furnished the day the copy is received, but will be submitted the following day, whenever possible to do so without causing delay in the publication of the regular pro-

ceedings of Congress. Advance speeches shall be set in the RECORD style of type, and not more than six sets of proofs may be furnished to Members without charge.

7. If copy or proofs have not been returned in time for publication in the proceedings, the Public Printer will insert the words "Mr. ——— addressed the Senate (House or committee). His remarks will appear hereafter in the Appendix," and proceed with the printing of the RECORD.

8. The Public Printer shall not publish in the CONGRESSIONAL RECORD any speech or extension of remarks which has been withheld for a period exceeding 30 calendar days (exclusive of Sundays and holidays) from the date when its printing was authorized: *Provided*, That at the expiration of each session of Congress the time limit herein fixed shall be 10 days, unless otherwise ordered by the committee.

9. When leave has been obtained to print (1) a speech not delivered in either House, (2) a newspaper or magazine article, or (3) any other matter not germane to the proceedings, the same shall be published in the Appendix, but this rule shall not apply to quotations which form part of a speech of a Member, or to an authorized extension of his own remarks. The official reporters of each House shall indicate on copy and prepare headings for all matter to be printed in the Appendix, and shall make suitable reference thereto at the proper place in the proceedings. Any Member may, upon request noted on the manuscript, have an authorized extension of his own remarks printed in the Appendix.

10. Illustrations shall not be inserted in the RECORD without the approval of the Joint Committee on Printing. Requests for such approval should be submitted to the Joint Committee on Printing through the chairman of the Committee on Printing of the respective House in which the speech desired to be illustrated may be delivered. Illustrations shall not exceed in size a page of the RECORD and shall be line cuts only. Copy for illustrations must be furnished to the Public Printer not later than 12.30 p. m. of the day preceding publication.

11. The permanent RECORD is made up for printing and binding 30 days after each daily publication is issued; therefore all corrections must be sent to the Public Printer within that time: *Provided*, That upon the final adjournment of each session of Congress the time limit shall be 10 days, unless otherwise ordered by the committee.

12. The Public Printer shall insert the contents of the daily Appendix in its regular place in the proceedings of each House when printing the bound edition of the CONGRESSIONAL RECORD.

#### PRICE OF THE CONGRESSIONAL RECORD

The daily CONGRESSIONAL RECORD for the first session of the Seventy-second Congress will be furnished by mail to subscribers, free of postage, for \$1.50 per month, or \$8 for the session, payable in advance.

Single copies, 24 pages or less, 3 cents; each additional 8 pages, 1 cent extra.

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#### CONGRESSIONAL DIRECTORY

The Public Printer, under the direction of the Joint Committee on Printing, may print for sale, at a price sufficient to reimburse the expense of such printing, the current Congressional Directory. The money derived from such sales shall be paid into the Treasury and accounted for in his annual report to Congress, and no sale shall be made on credit. (U. S. Code, title 44, sec. 150, p. 1424.)

#### RECORD OFFICE AT THE CAPITOL

An office for the CONGRESSIONAL RECORD is located in Statuary Hall, House wing, where Mr. W. A. Smith is in attendance during the sessions of Congress to receive subscriptions, copy, etc., and where extra copies of the RECORD, Congressional Directory, and information in regard to the price of printing speeches in pamphlet form may be obtained.

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

72D CONGRESS }  
1st Session }

SENATE

{ DOCUMENT  
No. 55 }

CONDITIONS IN MANCHURIA

MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES

TRANSMITTING

IN RESPONSE TO SENATE RESOLUTION No. 87, A REPORT  
BY THE SECRETARY OF STATE RELATIVE TO THE  
EXISTING CONDITIONS IN MANCHURIA



JANUARY 26 (calendar day, JANUARY 27), 1932.—Read; referred to  
the Committee on Foreign Relations and ordered to be printed

UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1932

F/DEW

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

### MESSAGE

*To the Senate of the United States:*

In response to Senate Resolution 87 of December 17, 1931, I transmit herewith a report by the Secretary of State, inclosing copies of documents referred to therein.

HERBERT HOOVER.

THE WHITE HOUSE, January 27, 1932.

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793.94/3926

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

## CONDITIONS IN MANCHURIA

### The President:

The undersigned, the Secretary of State, to whom was referred Senate Resolution 87, of December 17, 1931, reading as follows:

*Resolved*, That the Secretary of State be, and he is hereby, requested to transmit to the Senate the notes, correspondence, and communications from the Government of the United States to the Government of China, Japan, and/or any other nation relating to the present existing conditions in Manchuria, and the controversy between China and Japan, which has resulted in armed encounters in Manchuria; and particularly any messages, notes, or communications from the United States Government to either the Governments of Japan or China referring to the treaty entered into at the city of Washington on the 6th day of February, 1922, by the United States, Belgium, British Empire, China, France, Italy, Japan, the Netherlands, and Portugal, known as the nine-power treaty, and referring to the treaty entered into by Japan and China, the United States and other nations, and commonly known as the Kellogg pact; and also the notes, messages, letters, and communications sent or transmitted by the Government of the United States to the League of Nations or any individual or committee representing the League of Nations relating to the said conditions in Manchuria, and the said Chinese and Japanese controversy; or sent or transmitted to any individual or individuals representing the Government of the United States in said matters acting with, or in conjunction with the League of Nations or the Council of the League of Nations, or any individual or committee representing the League of Nations or the Council of the League of Nations—

has the honor to inform the President that there are attached hereto with a view to their transmission to the Senate should the President's judgment approve thereof, copies of documents as follows:

(A) The written communications, whether formal or informal, including memoranda, which have passed between the Government of the United States and the Governments of China and Japan since September 18, 1931, relating to the controversy between China and Japan in Manchuria since that date.

(B) The written communications, whether formal or informal, including memoranda, which have been sent or have passed between the Government of the United States or its representatives and the League of Nations or representatives of the league in reference to the said controversy between China and Japan in Manchuria.

There are also included copies of various other documents transmitted to the Government of the United States for its information by the Council of the League of Nations, such as resolutions adopted by the council of the league and certain of the more formal communications which have passed between the council of the league and the Chinese and the Japanese Governments. The latter documents have been selected on the basis of their pertinent relationship to documents accounted for in paragraphs (A) and (B) above. A complete set of the communications which have passed between the council of the league and the Chinese and the Japanese Governments or their representatives, many of which in addition to the ones furnished herewith were transmitted to this Government for its information, may be found in the League of Nations documents which have already been published.

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The documents transmitted herewith have been arranged in chronological order and there have been inserted at intervals brief statements of the events, to facilitate an understanding of the documents.

Respectfully submitted.

HENRY L. STIMSON.

DEPARTMENT OF STATE,  
Washington, January 26, 1932.

On the night of September 18, 1931, there apparently was an explosion on the track of the main line of the South Manchuria Railway at a point not far north of Mukden. Very shortly thereafter an armed clash occurred between Japanese and Chinese troops at or near that point. This conflict was followed the same night by an attack by Japanese troops on the nearby Chinese barracks. After capturing these barracks the Japanese military forces attacked and occupied the Chinese city of Mukden and disarmed or dispersed the Chinese soldiers in and about the city. During the same night and the following day Japanese troops completed a military occupation of all the other important cities along or adjacent to the South Manchuria Railway. Within the next few days additional cities were occupied, which were situated on Chinese lines extending both east and west of the South Manchuria system.

When news of these events in Manchuria reached Geneva, the League of Nations was in session, and on September 21, 1931, China appealed to the council of the league under article 11 of the covenant of the league, and the council undertook measures of conciliation between China and Japan.

*Note of the Chinese Government to League of Nations*

SEPTEMBER 21, 1931.

I am instructed by the national Government of China to bring to your attention the facts stated below and to request that in virtue of article 11 of the covenant of the League of Nations you forthwith summon a meeting of the council of the league in order that it may take such action as it may deem wise and effectual so that the peace of nations may be safeguarded.

Through statements made to it at its meeting on September 19 by the representatives of China and Japan, the council was advised of the fact that a serious situation had been created in Manchuria. In his statement at that meeting the representative of China declared that the information which he then had indicated that the situation had been created through no fault upon the part of the Chinese. Since September 19 the undersigned has received from his Government information which discloses a situation of greater gravity than had appeared by the first report and which revealed that beginning from 10 o'clock of the night of September 18 regular troops of Japanese soldiers without provocation of any kind opened rifle and artillery fire upon Chinese soldiers at or near the city of Mukden, bombarded the arsenal and barracks of the Chinese soldiers, set fire to the ammunition depot, disarmed the Chinese troops in Changchun,

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Kwangchengtse and other places, and later took military occupation of the cities of Mukden and Antung and other places and of public buildings therein, and are now in such occupation. Lines of communication have also been seized by Japanese troops.

To these acts of violence the Chinese soldiers and populace acting under instructions from the Chinese Government have made no resistance and have refrained from conduct which might in any way aggravate the situation.

In view of the foregoing facts the Republic of China, a member of the League of Nations, asserts that a situation has arisen which calls for action under the terms of article 11 of the covenant. I am therefore instructed by my Government to request that, in pursuance of authority given to it by article 11 of the covenant, the council take immediate steps: To prevent the further development of a situation endangering the peace of nations; to reestablish the status quo ante; and to determine the amounts and character of such reparations as may be found due to the Republic of China.

I will add that the Government of China is fully prepared to act in conformity with whatever recommendations it may receive from the council, and to abide by whatever decisions the League of Nations may adopt in the premises.

*Note of the Chinese Government to the American Government*

SEPTEMBER 21, 1931.

I have the honor to inform you that I am instructed by my Government to bring to your attention the occupation of Chinese territory by Japanese troops in Manchuria.

Japanese troops near Shenyang (Mukden), without the slightest provocation, opened an attack on the Chinese barracks on September 18, at 10 p. m., and continued bombarding the Chinese camps and arsenal, killing a large number of Chinese people in spite of the complete nonresistance of the Chinese troops. The whole city of Shenyang and its vicinity were occupied by Japanese troops by September 19, at 6.30 a. m. The occupation of Antung is already confirmed, and possibly other places also are now under Japanese military control.

As the United States, China, and Japan are all signatory powers of the Kellogg pact, and as the United States is the sponsor of the sacred engagements contained in this treaty, the American Government must be deeply interested in this case of unprovoked and unwarranted attack and subsequent occupation of Chinese cities by Japanese troops, which constitutes a deliberate violation of the pact. The Chinese Government urgently appeals to the American Government to take such steps as will insure the preservation of peace in the Far East, and the upholding of the principle of peaceful settlement of international disputes.

*Identic telegrams to the Governments of China and Japan from the  
president of the Council of the League of Nations*

(The council delivered a copy of this telegram to the American Consul at Geneva  
with the request that it be forwarded to the American Government)

SEPTEMBER 22, 1931.

I have the honor to inform you that at its meeting to-day devoted to the Chinese Government's appeal under article 11 of the covenant in connection with the situation in Manchuria, the Council of the League of Nations unanimously authorized me: (1) To address an urgent appeal to the Governments of China and Japan to refrain from any act which might aggravate the situation or prejudice the peaceful settlement of the problem; (2) to endeavor in consultation with the Chinese and Japanese representatives to find adequate means of enabling the two countries to withdraw their troops forth-with without the safety of their nationals and their property being endangered; (3) the council further decided to forward the minutes of all the meetings of the council and documents relating to this question to the Government of the United States of America for its information. I am firmly convinced that in response to the appeal which the council has authorized me to make to you, your Government will take all possible steps to prevent the commission of any act which might aggravate the situation or prejudice the peaceful settlement of the problem. I am about to begin the consultations contemplated with the Japanese and Chinese representatives with a view to the execution of paragraph (2). For these consultations I have obtained the assistance of the representatives of Germany, Great Britain, France, and Italy. The decision referred to under (3) has been carried out.

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*Memorandum handed to Japanese Ambassador by Secretary of State  
September 22, 1931*

Without going into the background, either as to the immediate provocation or remote causes or motivation, it appears that there has developed within the past four days a situation in Manchuria which I find surprising and view with concern. Japanese military forces, with some opposition at some points by Chinese military forces, have occupied the principal strategic points in south Manchuria, including the principal administrative center, together with some at least of the public utilities. It appears that the highest Chinese authority ordered the Chinese military not to resist, and that, when news of the situation reached Tokyo, but after most of the acts of occupation had been consummated, the Japanese Government ordered cessation of military activities on the part of the Japanese forces. Nevertheless, it appears some military movements have been continuously and are even now in process. The actual situation is that an arm of the Japanese Government is in complete control of south Manchuria.

The League of Nations has given evidence of its concern. The Chinese Government has in various ways invoked action on the part of foreign governments, citing its reliance upon treaty obligations and inviting special reference to the Kellogg pact.

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This situation is of concern, morally, legally, and politically to a considerable number of nations. It is not exclusively a matter of concern to Japan and China. It brings into question at once the meaning of certain provisions of agreements, such as the nine powers treaty of February 6, 1922, and the Kellogg-Briand pact.

The American Government is confident that it has not been the intention of the Japanese Government to create or to be a party to the creation of a situation which brings the applicability of treaty provisions into consideration. The American Government does not wish to be hasty in formulating its conclusions or in taking a position. However, the American Government feels that a very unfortunate situation exists, which no doubt is embarrassing to the Japanese Government. It would seem that the responsibility for determining the course of events with regard to the liquidating of this situation rests largely upon Japan, for the simple reason that Japanese armed forces have seized and are exercising de facto control in south Manchuria.

It is alleged by the Chinese, and the allegation has the support of circumstantial evidence, that lines of communication outward from Manchuria have been cut or interfered with. If this is true, it is unfortunate.

It is the hope of the American Government that the orders which it understands have been given both by the Japanese and the Chinese Governments to their military forces to refrain from hostilities and further movements will be respected and that there will be no further application of force. It is also the hope of the American Government that the Japanese and the Chinese Governments will find it possible speedily to demonstrate to the world that neither has any intention to take advantage, in furtherance of its own peculiar interests, of the situation which has been brought about in connection with and in consequence of this use of force.

What has occurred has already shaken the confidence of the public with regard to the stability of conditions in Manchuria, and it is believed that the crystallizing of a situation suggesting the necessity for an indefinite continuance of military occupation would further undermine that confidence.

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*Note of the American Government to the Council of the League*

SEPTEMBER 23, 1931.

I have received from the American Minister at Berne the copy of the resolution of the Council of the League of Nations which you transmitted to him.

I have noted the two parts of this resolution and the fact that they have been embodied in a note which you have addressed to the Governments of Japan and China.

I assure you that the Government of the United States is in wholehearted sympathy with the attitude of the League of Nations as expressed in the council's resolution and will dispatch to Japan and China notes along similar lines.

I have already urged cessation of hostilities and a withdrawal from the present situation of danger and will continue earnestly to work for the restoration of peace.

*Reply of the Chinese Government to the council's telegram of September 22, 1931*

SEPTEMBER 23, 1931.

I have the honor to acknowledge the receipt of your telegram conveying to me the decision reached by the council of the League of Nations at its yesterday's meeting regarding the appeal of the Chinese Government to deal with the situation in China created by the action of Japanese troops. In accordance with the covenant of the league while expressing the appreciation of the Chinese Government of the prompt response thus made by the council, I am confident that the decision you have communicated to me is only first and preliminary step leading to the definite settlement of the question and that no time will be lost in the question and that no time will be lost in the adoption of measures for giving complete satisfaction to the aggrieved party.

In regard to first point, the Chinese Government declares that it welcomes and fully accepts the recommendations of the council to abstain from any action liable to aggravate the situation or prejudice the pacific settlement of the question. In the face of every provocation the Government has taken all possible precautions to this end. It will suffice to quote a passage from the proclamation issued to the Chinese nation by the President of National Government:

As we have entrusted our case to the league the national army has received the strictest orders to avoid all possibility of clash with the invaders. We exhort the entire nation to maintain dignified calm.

As regards the second point, the Chinese Government specially welcomes the decision of the council to the effect that the troops on both sides should return immediately to their original positions. No measures contrary to the letter or spirit of this decision have been taken by China, nor have any movements of troops taken place save those necessitated by the firm decision of the Government to offer no resistance to the aggressive movements of the Japanese troops. The Chinese Government is gratified to learn that your excellency, is, on behalf of the council, guiding the search for the most effective means of insuring the immediate withdrawal of the Japanese troops. I earnestly request most prompt action in this regard, as the situation is growing in gravity with every hour and the effective application of the council's decision brooks absolutely no delay.

The Chinese Government will assume full responsibility for the protection of life and property as soon as we regain control of the areas evacuated by the Japanese troops.

The Chinese Government notes with satisfaction the third and last paragraph of the council's decision, which authorizes you to forward the minutes of the meetings of the council and all documents concerning this affair to the United States of America.

CHENGTING WANG,  
*Minister of Foreign Affairs of the National  
Government of the Republic of China.*

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*Reply of the Japanese Government to the council's telegram of September 22, 1931*

SEPTEMBER 24, 1931.

Acting on instructions received from my Government, I have the honor to acquaint your excellency with the reply of my Government to the telegram of September 22, which your excellency was good enough to forward to it.

1. As regards the first point mentioned in the message, the Japanese troops, since the beginning of the present events, have been careful to act only within the limits necessary to insure their own safety, the protection of the railway, and the safety of Japanese nationals. The Japanese Government has firmly pursued the object of preventing an extension of the incident and the aggravation of the situation; it is profoundly desirous of insuring the peaceful settlement of this problem as rapidly as possible by negotiations between the two countries, and it has the firm intention not to depart from this line of conduct.

2. As regards the second point in the message, the Japanese Government desires to state that it has withdrawn the greater part of its forces to the railway zone and that they are concentrated there. Outside that zone, only a few troops are, as a precautionary measure, quartered in the town of Mukden and at Kirin, and a small number of soldiers have been placed at certain points, these measures not constituting any military occupation.

The Japanese forces are being withdrawn to the fullest extent which is at present allowed by the maintenance of the safety of Japanese nationals and the protection of the railway. The Japanese Government, which intends to withdraw its troops to the railway zone in proportion as the situation improves, feels confident that the council will, in this matter, trust the sincerity of its attitude.

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*Reply of the Council of the League to the note of the American Government of September 23, 1931*

SEPTEMBER 24, 1931.

The Council of the League of Nations has requested me to express to the Secretary of State its appreciation of the friendly answer which he was good enough to make in regard to the situation which has unhappily arisen between two highly respected members of the family of nations, China and Japan. The council is gratified to note that the Government of the United States is in whole-hearted sympathy with the attitude of the League of Nations as expressed in the council resolution, and that it will dispatch to Japan and China, in addition to previous communications, notes on lines similar to those followed by the council.

The council has no preconceived method for solving the difficulties which have arisen; no procedure or formula to which it is irrevocably bound other than its obligation to "take any action that may be deemed wise and effectual to safeguard the peace of nations."

To this end, the council will gladly continue to keep the Government of the United States informed of any action it may take or any information it may secure, and ventures to hope that that Government will also be disposed to communicate with it. The council

feels confident that, irrespective of any individual effort which any government may deem it desirable to make, it is by the continuance of common endeavor that a successful result is most likely to be achieved. The efforts which are now being made here will be continued by the council in such form as circumstances may require.

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*Text of identic notes from the American Government to the Chinese and Japanese Governments*

SEPTEMBER 24, 1931.

The Government and people of the United States have observed with regret and with great concern events of the past few days in Manchuria. In view of the sincere desire of the people of this country that principles and methods of peace shall prevail in international relations, and of the existence of treaties, to several of which the United States is a party, the provisions of which are intended to regulate the adjustment of controversies between nations without resort to use of force, the American Government feels warranted in expressing to the Chinese and the Japanese Governments its hope that they will cause their military forces to refrain from any further hostilities, will so dispose respectively of their armed forces as to satisfy the requirements of international law and international agreements, and will refrain from activities which may prejudice the attainment by amicable methods of an adjustment of their differences.

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*Official statement of the Japanese Government concerning Manchuria, issued after an extraordinary cabinet meeting at Tokyo on September 24*

(Brought to the attention of the Department of State by the Japanese Ambassador)

(1) The Japanese Government has constantly been exercising honest endeavors in pursuance of its settled policy to foster friendly relations between Japan and China and to promote the common prosperity and well-being of the two countries. Unfortunately, the conduct of officials and individuals of China, for some years past, has been such that our national sentiment has frequently been irritated. In particular, unpleasant incidents have taken place one after another in regions of Manchuria and Mongolia in which Japan is interested in especial degree until an impression has gained strength in the minds of the Japanese people that Japan's fair and friendly attitude is not being reciprocated by China in like spirit. Amidst an atmosphere of perturbation and anxiety thus created a detachment of Chinese troops destroyed tracks of the South Manchurian Railway in the vicinity of Mukden and attacked our railway guards at midnight of September 18. A clash between Japanese and Chinese troops then took place.

(2) The situation became critical as the number of Japanese guards stationed along the entire railway did not then exceed 10,400, while there were in juxtaposition some 220,000 Chinese soldiers. Moreover, hundreds of thousands of Japanese residents were placed in jeopardy. In order to forestall imminent disaster the Japanese Army had to act swiftly. The Chinese soldiers, garrisoned in



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neighboring localities, were disarmed and the duty of maintaining peace and order was left in the hands of the local Chinese organizations under the supervision of the Japanese troops.

(3) These measures having been taken, our soldiers were mostly withdrawn within the railway zone. There still remain some detachments in Mukden and Kirin and small number of men in a few other places. But nowhere does a state of military occupation as such exist. Reports that Japanese authorities have seized customs or salt gabelle office at Yingkou or that they have taken control of Chinese railways between Supingkai and Chengchiatun or between Mukden and Sinmintun are entirely untrue, nor has the story of our troops having ever been sent north of Changchun or into Chientao any foundation in fact.

(4) The Japanese Government at a special cabinet meeting September 19 took decision that all possible efforts should be made to prevent aggravation of the situation and instructions to that effect were given to the commander of the Manchurian garrison. It is true that a detachment was dispatched from Changchun to Kirin September 21, but it was not with a view to military occupation but only for the purpose of removing the menace to the South Manchurian Railway on flank. As soon as that object has been attained the bulk of our detachment will be withdrawn. It may be added that while a mixed brigade of four thousand men was sent from Korea to join the Manchurian garrison the total number of men in the garrison at present still remains within the limit set by the treaty and that fact can not therefore be regarded as having in any way added to the seriousness of the international situation.

(5) It may be superfluous to repeat that the Japanese Government harbors no territorial designs in Manchuria. What we desire is that Japanese subjects shall be enabled to safely engage in various peaceful pursuits and be given an opportunity for participating in the development of that land by means of capital and labor. It is the proper duty of a government to protect the rights and interests legitimately enjoyed by the nation or individuals. The endeavors of the Japanese Government to guard the South Manchurian Railway against wanton attacks would be viewed in no other light. The Japanese Government, true to established policy, is prepared to cooperate with the Chinese Government in order to prevent the present incident from developing into a disastrous situation between the two countries and to work out such constructive plans as will once for all eradicate causes for future friction. The Japanese Government would be more than gratified if the present difficulty could be brought to a solution which will give a new turn to mutual relations of the two countries.

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*Reply of the Chinese Government to the note of the American Government  
of September 24, 1931*

SEPTEMBER 27, 1931.

The Chinese Government received yesterday afternoon the communication from the American Government regarding the present situation in China, transmitted from Peiping by the American Minister to China.

The Chinese Government and people are gratified to learn that the Government and people of the United States, feeling themselves much

interested in the situation created in China by the action of Japanese troops, desire that principles and methods of peace, instead of armed force, should be used in the relations between China and Japan, as between any other civilized states. It is the conviction of the Chinese and Japanese Governments that the American Government has been prompted by the earnest desire to uphold, as one of the signatory powers, the sanctity of those international treaties, particularly the treaty for the renunciation of war signed at Paris in 1923, which bind the parties not to have recourse to war but to use pacific means in their relations with one another.

As a result of the aggressive movements of the Japanese troops, our territory has been invaded, our cities and towns have been occupied, and in certain cases ransacked, our public officers and innocent citizens have been injured, insulted, and murdered. Even on the very day when the American Government despatched its identic notes to the Chinese and Japanese Governments, advising restraint from further hostilities, Chinese passenger trains carrying refugees on the Peiping-Liaoning (Peking-Mukden) Railway were attacked by bombs and machine gun fire from Japanese military airplanes, which resulted in many casualties. This, while the Japanese Government declares that it has taken all measures to prevent the aggravation of the situation and that the troops will be forthwith withdrawn from the occupied areas, and free acts of war are still being committed by the Japanese troops. In spite of such circumstances, the entire Chinese nation has been exhorted to maintain a dignified calm, in the belief that the delinquent party will render a full account for its wanton acts to all the civilized states, under the principle of the sanctity of international treaties for the maintenance of peace.

The Chinese Government can conceive no other way to satisfy the requirements of international law and international agreements, when international law and international agreements have already been trampled under foot, than for Japan to withdraw her troops immediately and completely from the occupied areas and to give full redress to the aggrieved party, the Chinese Government and the Chinese people.

It is the earnest hope of the Chinese Government that most effective means will be promptly taken for maintaining the dignity and inviolability of the international treaties above referred to, so that all efforts heretofore made by the various powers, especially by the United States for the preservation of peace, might not be in vain.

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*Reply of the Japanese Government to the note of the American Government  
of September 24, 1931*

SEPTEMBER 28, 1931.

I have the honor to acknowledge receipt of your note of September 25, in which you were so good as to convey to me the views of the American Government on the subject of the actual condition of affairs in Manchuria.

The Japanese Government is deeply sensible of the friendly concern and the fairness of views with which the American Government has observed the recent course of events in Manchuria. In common with

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the hope expressed by the American Government, it has already caused the Japanese military forces in Manchuria to refrain from any further acts of hostility, unless their own safety, as well as the security of the south Manchuria Railway and of Japanese lives and property within that railway zone is jeopardized by the aggression of Chinese troops or armed bands. Every care has been, and will continue to be, exercised by the Japanese forces to observe all the requirements of international law and international agreements, and to avoid any action that is calculated to prejudice an amicable settlement of the differences between Japan and China.

The Japanese Government is confident that by frank and unimpassioned discussions between the two parties in conflict, in the light of their true and lasting interests, an adjustment will be found to set at rest the existing tension in Manchuria.

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*Resolution of Council of League of Nations of September 30, 1931,  
concurrent in by both Chinese and Japanese representatives*

The council—

1. Notes the replies of the Chinese and Japanese Governments to the urgent appeal addressed to them by its president and the steps that have already been taken in response to that appeal;
2. Recognizes the importance of the Japanese Government's statement that it has no territorial designs in Manchuria;
3. Notes the Japanese representative's statement that his Government will continue, as rapidly as possible, the withdrawal of its troops which has already been begun, into the railway zone in proportion as the safety of the lives and property of Japanese nationals is effectively assured and that it hopes to carry out this intention in full as speedily as may be;
4. Notes the Chinese representative's statement that his Government will assume responsibility for the safety of the lives and property of Japanese nationals outside that zone as the withdrawal of the Japanese troops continues and the Chinese local authorities and police forces are reestablished;
5. Being convinced that both Governments are anxious to avoid taking any action which might disturb the peace and good understanding between the two nations, notes that the Chinese and Japanese representatives have given assurances that their respective Governments will take all necessary steps to prevent any extension of the scope of the incident or any aggravation of the situation;
6. Requests both parties to do all in their power to hasten the restoration of normal relations between them and for that purpose to continue and speedily complete the execution of the above-mentioned undertakings;
7. Requests both parties to furnish the council at frequent intervals with full information as to the development of the situation;
8. Decides, in the absence of any unforeseen occurrence which might render an immediate meeting essential, to meet again at Geneva on Wednesday, October 14, 1931, to consider the situation as it then stands;
9. Authorizes its president to cancel the meeting of the council fixed for October 14 should he decide after consulting his colleagues,

and more particularly the representatives of the two parties, that in view of such information as he may have received from the parties or from other members of the council as to the development of the situation, the meeting is no longer necessary.

*Telegram from the Acting Minister of Foreign Affairs in Nanking to the American Minister at Peiping*

OCTOBER 3, 1931.

The Chinese Government has the honor to inform your excellency that in its view events of the next 12 days, during which the Japanese Government is expected by the Council of the League of Nations to complete the withdrawal of its troops to the railway zone in terms of the council's resolution of September 30, will have the most far-reaching consequences for the effective maintenance of peace and the present status on the Chinese in the Far East.

On its part the Chinese Government has undertaken before the league's council to assume responsibility for the safety of the lives and property of Japanese nationals outside the railway zone during the process of withdrawal of Japanese troops and the reestablishment of Chinese local authorities and police forces.

The difficulties of this task are immeasurably increased by the situation created by the Japanese action, which has violently disturbed machinery of the central control in Manchuria. Every day brings fresh incidents, such as aerial attacks on trains, disarming of isolated Chinese units, imposing of Japanese military authorities on various localities, and so forth.

Your excellency is aware that the council of the league resolved in the absence of any unforeseen occurrences which might render an immediate meeting essential, to convene at Geneva on Wednesday, October 14, in order to consider the situation as it then stands, and that information with regard to the development of the situation is awaited not only from the Chinese and Japanese Governments but also from other members of the council.

Under all the circumstances as stated, the Chinese Government has requested the diplomatic representatives in this country of those powers which are members of the Council of the league to send individual representatives to Manchuria to collect information on the progress of evacuation and all relevant circumstances for the information of the council. In view of the fact that the United States of America is one of the signatories of the treaty for the renunciation of war signed at Paris in 1928 and is deeply interested as the other powers in the effective maintenance of peace in the Far East, I have the honor to request that the United States take immediate steps to be likewise represented and that information collected by your representatives on the movements of Japanese troops in Manchuria be transmitted to your government and the general public by telegraph.

On its side the Chinese Government will do its utmost to give all facilities to the representatives of your excellency in this most important task. The Chinese Government would be grateful if the present request were considered to be of the extreme urgency. General Chang Hsueh-liang has been instructed by the national government

to take all the measures to help your representative and the Chinese Government will be grateful if your excellency would communicate to him the names of your representatives.

CHINGLUN FRANK W. LEE,  
*Acting Minister for Foreign Affairs.*

OCTOBER 3.

*Reply of the American minister to the telegram from the Chinese Government of October 3, 1931*

OCTOBER 5, 1931.

I have the honor to acknowledge the receipt of your telegram of October 3, informing me that the Chinese Government has requested the diplomatic representatives in this country of those powers that are members of the council of the league to send individual representatives to Manchuria to collect information on the progress of evacuation and all relative circumstances for the information of the council, and requesting that, in view of the fact that the United States is one of the signatories of the treaty for the renunciation of war signed at Paris in 1928, the United States take immediate steps to be likewise represented.

I am instructed, in reply, to state that the American Government has noted with gratification the action, to which the Chinese Government refers, of the Council of the League of Nations, on which council both the Chinese and the Japanese Governments are represented, as expressed in the resolution unanimously adopted by the council on September 30; that it has noted the undertakings therein set forth of the various governments represented and of the council itself, including the provision for the gathering and supplying of information by the Chinese and the Japanese Governments.

With regard to the Chinese Government's request that the American Government send representatives to collect information, the American Government is happy to be able to state that it has already taken steps to supplement the efforts which have been made by its representatives in the Far East to keep it currently informed with regard to developments in this situation. Among these steps, it has recently issued instructions for the sending of two of its officers on duty at other points in the Far East to South Manchuria, to travel in that region, to observe, and to report to their government on the facts as they find them; and, on October 3, before receipt of the Chinese Government's request, it had instructed the American Minister to China to inform the Chinese Government of its action in that sense. Its instruction has, as your excellency knows, been carried out.

The American Government had thus anticipated the Chinese Government's request and it is confident that the Chinese Government will regard this action on its part as another evidence of its desire to make its due contribution in the common effort which is being made to insure reliance on peaceful methods for the settling of this dispute which is clearly a matter of concern to the whole world.

*Memorandum of the American Government of October 5, 1931, communicated by the American consul at Geneva to the Council of the League*

I believe that our cooperation in the future handling of this difficult matter should proceed along the course which has been followed ever since the first outbreak of the trouble fortunately found the Assembly and Council of the League of Nations in session. The council has deliberated long and earnestly on this matter and the covenant of the League of Nations provides permanent and already tested machinery for handling such issues as between States members of the league. Both the Chinese and Japanese have presented and argued their cases before the council and the world has been informed through published accounts with regard to the proceedings there. The council has formulated conclusions and outlined a course of action to be followed by the disputants; and as the said disputants have made commitments to the council, it is most desirable that the league in no way relax its vigilance and in no way fail to assert all the pressure and authority within its competence toward regulating the action of China and Japan in the premises.

On its part the American Government acting independently through its diplomatic representatives will endeavor to reinforce what the league does and will make clear that it has a keen interest in the matter and is not oblivious to the obligations which the disputants have assumed to their fellow signatories in the pact of Paris as well as in the nine-power pact should a time arise when it would seem advisable to bring forward those obligations. By this course we avoid any danger of embarrassing the league in the course to which it is now committed.

After the events of September 18 and 19, the administrative and military headquarters of Marshal Chang Hsueh-liang, unable longer to function at Mukden, were set up at Chinchow, more than a hundred miles to the southwest, on the Peiping-Mukden Railway. On October 8, Japanese airplanes dropped bombs upon this unfortified city, especially upon the administrative buildings, and caused the death of a considerable number of civilians. Proclamations dropped from airplanes stated that the attack was directed against Marshal Chang Hsueh-liang's government.

At about the same time the Japanese general staff at Tokyo issued an information bulletin to foreign military attachés stating that the banditry and atrocities committed by the defeated Chinese troops in Manchuria made it impossible to withdraw the Japanese army to their original stations or even to the contiguous territory.

*Identic telegram sent by Lerroux as president of the council to Chinese and Japanese Governments*

OCTOBER 9, 1931.

Information received tends to show that incidents are taking place in Manchuria and elsewhere which can not but embitter feeling and thus render settlement more difficult. In these circumstances and pending the meeting of the council, I feel it is my duty as President

of the council, to remind the two parties of the engagements taken before the council to refrain from any action which would aggravate the situation, and to express the confident hope that steps are being taken on both sides to execute fully the assurances given to the council and embodied in its resolution of the thirtieth of September.

*Communication from Chinese Government to American minister at Peiping*

OCTOBER 9, 1931.

His Excellency, NELSON TRUSLER JOHNSON,  
*American Minister, Peiping:*

While the Chinese Government is making every exertion to fulfill its undertakings given in its reply to the recent note of the American Government and to the communication from the president of the Council of the League of Nations to protect the Japanese residents and do nothing to aggravate the present situation pending its solution before the Council of the League of Nations, the Japanese militarists committed yesterday another act of war by the bombardment by 12 military airplanes of Chinchow, outside the so-called south Manchuria railway zone, where the provincial government had been transferred after the occupation of Shenyang. The attack resulted in many casualties, including one foreign professor, as well as considerable damage to property and particularly to the university building lodging the temporary provincial headquarters.

As Chinchow is strongly held by the Chinese garrison, the situation has become exceedingly grave. The Chinese Government has telegraphed to Geneva asking the Council of the League of Nations to take urgent measures for the conservation of peace and inviting an immediate visit to Chinchow from the league's missions for investigation and report on them for the council's meeting on October 14, or earlier should the council so decide. The Chinese Government will be grateful if the American Government should delegate a person or persons to participate in the work of the league's mission and if this request could be treated as one extreme urgency in view of the seriousness of the situation, which the Chinese Government does not wish to disguise. The Chinese Government reposes entire confidence in the support of the American Government.

(Signed) CHINGLUN FRANK LEE,  
*Acting Minister for Foreign Affairs.*

*Communication sent by Secretary of State for transmission to Japanese Government*

OCTOBER 10, 1931.

Until recently we have been reassured by the commitments made by the Government both of China and Japan to the League of Nations which were embodied in the resolution of the 30th of September. Under that resolution, Japan agreed to continue as rapidly as possible the withdrawal of its troops into the railway zone, while China with Japan's consent agreed to assume responsibility for the safety of

lives and property of Japanese nationals outside of that zone. I am, however, much disturbed by later reports, especially of the last 48 hours, which indicate that these commitments are not being carried out by either Government.

I wish that you would call upon Baron Shidehara at once and, after reading him the above, impress upon him the dangers to all interests in China which we feel will inevitably result unless the pacific policy thus agreed upon is observed and unless both the Japanese and Chinese nations exercise at this time the utmost self-restraint. I am urging this also upon the Japanese Ambassador and the Chinese chargé here.

*Communication sent by Secretary of State for transmission to Chinese Government*

OCTOBER 10, 1931.

Until recently we have been reassured by the commitments made by the Governments both of China and Japan to the League of Nations which were embodied in the resolution of the 30th of September. Under that resolution, Japan agreed to continue as rapidly as possible the withdrawal of its troops into the railway zone, while China with Japan's consent agreed to assume responsibility for the safety of lives and property of Japanese nationals outside of that zone. I am, however, much disturbed by later reports, especially of the last 48 hours, which indicate that these commitments are not being carried out by either government.

I wish that you would call upon the acting minister of foreign affairs at once and, after reading him the above, impress upon him the dangers to all interests in China which we feel will inevitably result unless the pacific policy thus agreed upon is observed and unless both the Japanese and Chinese nations exercise at this time the utmost self restraint. I am urging this also upon the Japanese ambassador and the Chinese chargé here.

In commenting upon an oral statement from the Japanese Minister of Foreign Affairs regarding the bombing of Chinchow, the Secretary of State requested the American ambassador at Tokyo to make the following statement and leave a memorandum of it with the Japanese Minister of Foreign Affairs.

*Memorandum left with Japanese foreign minister by American ambassador at Tokyo at the request of the Secretary of State*

OCTOBER 11, 1931.

The Secretary of State can not understand how the bombing of Chinchow can be minimized or how it can be said to be of no importance. The explanation given by the Japanese military authorities seems quite inadequate. Chinchow is more than 50 miles from the Japanese Railway zone and is situated in territory where the Chinese have an entire right to maintain troops. The Secretary of State is at a loss to see what right Japanese military planes had to fly over the town, thereby provoking attack, and to drop bombs. Casual-

ties among civilians have been asserted by the Chinese to have taken place. Bombing of an unfortified and unwarned town is one of the most extreme of military actions, deprecated even in time of war. The Japanese military authorities are quoted in usually reliable press sources as asserting that this attack on Chinchow was intended to prevent Marshal Chang from establishing his new capital at that place and resuming his authority in Manchuria.

Both of the foregoing reasons given in explanation of this attack would appear quite at variance with the commitments undertaken by the Japanese Government in respect to the resolution of September 30 of the Council of the League of Nations.

The Secretary of State is thus constrained to regard the bombing of Chinchow as of very serious importance and he would welcome any further information from the Minister for Foreign Affairs which would throw light on it.

On October 13 the Council of the League of Nations resumed its sessions and its consideration of the Manchuria situation. M. Briand was elected president of the council.

*Invitation addressed to the Secretary of State by the president of the council of the League of Nations, handed to the American consul at Geneva, October 16, 1931*

OCTOBER 16, 1931.

I have the honor to inform you that the Council of the League of Nations has approved to-day the terms of the following proposal which I had the honor to make to it in my capacity as president of the council:

In the course of the discussion the opinion has been expressed that the very important question before the council concerns the fulfillment of obligations arising not only from the covenant of the League of Nations but also from the pact of Paris.

This opinion is certainly well founded since, in accordance with article 2 of that pact:

"The high contracting parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means."

Foremost among the signatories of the pact of Paris appear the United States of America. The United States were one of the proponents of the pact, and I may be allowed to recall that I had the honor to be associated with the then Secretary of State of the United States as joint author. In consequence, the United States may be regarded as being especially interested in insuring a settlement of the present dispute by pacific means.

Moreover the Government of the United States, with which communications regarding the dispute before the council have already been exchanged, has expressed its whole-hearted sympathy with the attitude of the League of Nations, and has affirmed its desire to reinforce the action of league.

I feel confident that I shall be meeting the wishes of my colleagues in proposing that we should invite the Government of the United States to be associated with our efforts by sending a representative to sit at the council table so as to be in a position to express an opinion as to how, either in view of the present situation or of its future development, effect can best be given to the provisions of the pact. By this means also the opportunity will be afforded him of following our deliberations on the problem as a whole.

I am sure that any action that might be taken under the pact could not but strengthen the efforts which are now being made by the council in accordance

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with the obligations imposed upon it by the covenant of the League of Nations to effect the peaceful settlement of the problem under discussion.

In consequence, I have the honor to address to the Government of the United States the invitation contained in the said proposal.

Please accept, Mr. Secretary of State, the assurance of my high consideration.

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*Instructions sent by the Secretary of State to Prentiss Gilbert, American consul at Geneva*

OCTOBER 16, 1931.

You are authorized to participate in the discussions of the council when they relate to the possible application of the Kellogg-Briand pact, to which treaty the United States is a party. You are expected to report the result of such discussions to the department for its determination as to possible action. If you are present at the discussion of any other aspect of the Chinese-Japanese dispute, it must be only as an observer and auditor.

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*Text of the acceptance handed to the president of the council by the American consul at Geneva, Prentiss Gilbert, October 16, 1931, in response to his invitation addressed to the Secretary of State, October 16, 1931*

OCTOBER 16, 1931.

I have the honor to acknowledge the receipt of your communication addressed to the Secretary of State of the United States of America, under date of October 16, in which you cite a proposal adopted by the Council of the League of Nations. You extend an invitation, in accordance with that proposal, to the Government of the United States to send a representative to sit at the council table, so that he may be in a position to consider with the council the relationship between the provisions of the pact of Paris and the present unfortunate situation in Manchuria, and at the same time to follow the deliberations of the council with regard to other aspects of the problem with which it is now confronted.

I am directed by the Secretary of State to accept, on behalf of the Government of the United States, this invitation to send our representative, and to inform you that he has designated me to act in that capacity.

I beg your excellency to accept the assurance of my highest consideration.

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*Statement by the American consul at Geneva at meeting of the Council of The League of Nations*

OCTOBER 16, 1931.

I wish to thank you, Mr. President, for the kind words you have spoken in your own name and in the name of the council.

May I be permitted first to convey to you, Mr. President, the sentiments of deep admiration and respect which the Government and the people of the United States entertain towards you as the untiring artisan of peace and the co-author of the pact of Paris. It is, indeed,

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a happy augury that you should be presiding over the deliberations of this body at this time, and I wish to assure you of our deep gratification at being once more associated with you in the cause of peace.

In this moment of deep international concern, I thank you for your invitation to sit in your deliberations and to participate in your discussions in so far as the pact of Paris, to which my country is a party, is concerned.

The Government of the United States of America has been following with the closest attention the proceedings before the council for the settlement of the dispute at present unhappily existing between China and Japan. My Government does not seek to intrude with respect to such measures as you may propose under the Covenant of the League of Nations; and is not in a position to participate with the members of the council in the formulation of any action envisaged under that instrument, for the composing of differences existing between two of its members. It has already conveyed to you its sympathetic appreciation of your efforts, and its wholehearted accord with the objective you have in view; and it has expressed the hope that the tried machinery of the league may in this case, as on previous occasions, be successful in bringing this dispute to a conclusion satisfactory to both parties. Moreover, acting independently and through diplomatic channels, my government has already signified its moral support of your efforts in this capacity to bring about a peaceful solution of the unfortunate controversy in Manchuria.

In your deliberations as to the application of the machinery of the Covenant of the League of Nations, I repeat, we can, of course, take no part. But the pact of Paris, bearing as it does the signature of the President of this meeting together with that of our former Secretary of State as joint proponents, represents to us in America an effective means of marshalling the public opinion of the world behind the use of pacific means only in the solution of controversies between nations. We feel, not only that this public opinion is a most potent force in the domestic affairs of every nation, but that it is of constantly growing import and influence in the mutual relations of the members of the family of nations.

The timely exercise of the power of such opinion may be effective to prevent a breach of international peace of world-wide consequences. We assume that this may be the reason why the consideration of the relationship between the provisions of the pact of Paris and the present situation has been brought forward in this body; and the purpose which has moved my Government to accept your invitation is that thus we may most easily and effectively take common counsel with you on this subject.

On October 17 the members of the council with the exception of the Chinese and the Japanese members, all of whose countries are also signatories of the Kellogg-Briand pact, decided that their governments should call the attention of the Chinese and Japanese Governments to the obligations they had undertaken under article 2 of this pact. On the same day the Governments of France, Great Britain, Germany, Italy, Spain, and Norway sent identic notes, in accordance with their decision, to China and Japan, and the French Government undertook to notify the other signatories of the pact, including the



United States, of the decision of these Governments. The notes sent were not made public.

Upon receipt of this notification from the French Government, on October 20, the American Government sent to the Governments of China and Japan identic notes calling attention to their obligations under the Kellogg-Briand pact.

*The American Government's note to China and Japan calling attention to the obligations of the Kellogg-Briand pact*

OCTOBER 20, 1931.

The Government and people of the United States have observed with concern the events of the last month in Manchuria. When the difference between Japan and China came to a head on September 19 one of the parties to the dispute referred the matter to the League of Nations and since that time the American Government by representations through diplomatic channels, has steadily cooperated with the league in its efforts to secure a peaceful settlement. A threat of war, wherever it may arise, is of profound concern to the whole world and for this reason the American Government, like other governments, was constrained to call to the attention of both disputants the serious dangers involved in the present situation.

This Government now desires, as do other signatories of the treaty for the renunciation of war, particularly to call to the attention of the Japanese and the Chinese Governments the obligations which they voluntarily assumed when they became parties to that treaty, especially the obligations of Article II, which reads:

The high contracting parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

The American Government takes this occasion again to express its earnest hope that Japan and China will refrain from any measures which might lead to war and that they will find it possible in the near future to agree upon a method for resolving by peaceful means, in accordance with their promises and in keeping with the confident expectations of public opinion throughout the world, the issues over which they are at present in controversy.

*Reply of the Chinese Government to the American Government's note of October 20, 1931*

(Handed to the Department of State by Mr. Yung Kwai, October 23)

OCTOBER 22, 1931.

HON. HENRY L. STIMSON,  
*Secretary of State.*

SIR: I have the honor to inform you that I am instructed by my Government to deliver to you the following note:

The Chinese Government has received from the American Government the communication dated October 21, in which the American Government calls the attention of the Chinese and Japanese Governments to the obligations arising from

the treaty for the renunciation of war and expresses the hope that both China and Japan will refrain from any measures which might lead to war.

The Chinese Government and people deeply appreciate the renewed expression, on the part of the Government and people of the United States, of the profound concern with which they have observed the development of events in China since the 18th of September. The Chinese Government is especially gratified to learn that the American Government has cooperated with the League of Nations in its efforts to secure a peaceful settlement.

It has been in absolute reliance upon the principles of international law and international agreements, particularly those for the perpetuation of peace among nations, and for pledging respect for the sovereignty, the independence, and the territorial and administrative integrity of states, that the Chinese Government has consistently refrained from employing force to meet the situation created by the occupation of Chinese territory by Japanese troops and other warlike actions of Japan, in the belief that such actions would not be permitted to go unchallenged by the powers which should feel deeply concerned in the matter. Especially faithful to the obligations assumed under the treaty for the renunciation of war, the Chinese Government has been seeking, from the very beginning, a just and adequate settlement by pacific means. China has not adopted any measures of war but has appealed to the United States of America as well as the League of Nations under the provisions of existing international agreements.

It is the sincere desire of the Chinese Government to settle the present crisis by peaceful means under conditions which give a guaranty of fair and equitable treatment for all concerned and to cooperate to the fullest possible extent with the American Government, the sponsor of the treaty for the renunciation of war, in its efforts to uphold the sanctity of international engagements.

Accept, sir, the renewed assurances of my highest consideration.

YUNG KWAI,  
*Chargé d'affaires ad interim.*

*Reply of Japanese Government to American note of October 20, 1931*

TOKYO, October 24, 1931.

I have the honor to acknowledge the receipt of your note of October 21 in which, under instructions of your Government, you were so good as to call the attention of the Japanese to the obligations assumed by Japan as a signatory of the treaty for the renunciation of war.

The Japanese Government highly appreciate the sympathetic concern of the American Government in the maintenance of international peace. Their position bearing on the stipulations of the treaty in question is set forth in the accompanying statement. Entertaining the same earnest hope expressed in your communication under review, the Japanese Government remain unshaken in the belief that a method for resolving by pacific means their present difficulties with China will soon be found upon direct negotiations between the two disputants in the spirit of mutual good will and helpfulness.

The accompanying statement is as follows:

1. The Japanese Government realizes as fully as any other signatories of the pact of Paris of 1928 the responsibility incurred under the provisions of that solemn pact. They have made it clear on various occasions that the Japanese railway guards, in taking military measures in Manchuria since the night of September 18 last, have been actuated solely by the necessity of defending themselves as well as of protecting the South Manchuria Railway and the lives and property of Japanese subjects, against wanton attacks by Chinese troops and armed bands. Nothing is further from the thoughts of the Japanese Government than to have recourse to war for the solution of their outstanding differences in China.

2. It is their settled aim to compose those differences by all pacific means. In the note of the Japanese Minister for Foreign Affairs to the Chinese Minister at

Tokyo, dated October 9, the Japanese Government have already declared their readiness to enter into negotiations with the responsible representatives of China for an adjustment of the present difficulties. They still hold the same view. So far as they are concerned, they have no intention whatever of proceeding to any steps that might hamper any efforts intended to assure the pacific settlement of the conflict between Japan and China.

3. On the other hand they have repeatedly called the attention of the Chinese Government to the organized hostile agitation against Japan now in progress in various parts of China. The suspension of all commercial intercourse with Japanese at present in China is in no sense a spontaneous act of individual Chinese. It is enforced by anti-Japanese organizations that have taken the law into their own hands, and are heavily penalizing, even with the threat of capital punishment, any Chinese who may be found disobeying their arbitrary decrees. Acts of violence leveled against Japanese residents also continue unabated in many places under the jurisdiction of the government of Nanking. It will be manifest to all fair observers of the actual situation that those activities of the anti-Japanese organizations are acquiesced in by the Chinese Government as a means to attain the national ends of China. The Japanese Government desires to point out that such acquiescence by the Chinese Government in the lawless proceedings of their own nationals can not be regarded as being in harmony with the letter or the spirit of the stipulations contained in article two of the pact of Paris.

*Resolution voted upon October 24 by the Council of the League*

(Thirteen powers voting in the affirmative; Japan in the negative)

The council, in pursuance of the resolution passed on September 30, and noting that in addition to the invocation by the Government of China, of article 11 of the covenant, article 2 of the pact of Paris has also been invoked by a number of governments.

(1) Recalls the undertakings given to the council by the Governments of China and Japan in that resolution, and in particular the statement of the Japanese representative that the Japanese Government would continue as rapidly as possible the withdrawal of its troops into the railway zone in proportion as the safety of the lives and property of Japanese nationals is effectively assured, and the statement of the Chinese representative that his government will assume the responsibility for the safety of the lives and property of Japanese nationals outside that zone—a pledge which implies the effective protection of Japanese subjects residing in Manchuria.

(2) Recalls further that both governments have given the assurance that they would refrain from any measures which might aggravate the existing situation, and are therefore bound not to resort to any aggressive policy or action and to take measures to suppress hostile agitation.

(3) Recalls the Japanese statement that Japan has no territorial designs in Manchuria, and notes that this statement is in accordance with the terms of the covenant of the League of Nations and of the nine power treaty, the signatories of which are pledged "to respect the sovereignty, the independence, and the territorial and administrative integrity of China."

(4) Being convinced that the fulfillment of these assurances and undertakings is essential for the restoration of normal relations between the two parties:

(a) Calls upon the Japanese Government to begin immediately and to proceed progressively with the withdrawal of its troops into the railway zone, so that the total withdrawal may be effected before the date fixed for the next meeting of the council;

(b) Calls upon the Chinese Government, in execution of its general pledge to assume the responsibility for the safety and lives of all Japanese subjects resident in Manchuria, to make such arrangements for taking over the territory thus evacuated as will ensure the safety of the lives and property of Japanese subjects there, and requests the Chinese Government to associate with the Chinese authorities designated for the above purpose representatives of other powers in order that such representatives may follow the execution of the arrangements;

(5) Recommends that the Chinese and Japanese Governments should immediately appoint representatives to arrange the details of the execution of all points relating to the evacuation and the taking over of the evacuated territory so that they may proceed smoothly and without delay.

(6) Recommends the Chinese and Japanese Governments as soon as the evacuation is completed, to begin direct negotiations on questions outstanding between them, and in particular those arising out of recent incidents as well as those relating to existing difficulties due to the railway situation in Manchuria. For this purpose the council suggests that the two parties should set up a conciliation committee or some such permanent machinery.

(7) Decides to adjourn till November 16, at which date it will again examine the situation, but authorizes its president to convoke a meeting at any earlier date should it in his opinion be desirable.

*Japanese counter proposal for council resolution covering paragraphs 4, 5, 6, 7, and 8*

OCTOBER 23, 1931.

(4) Again notes the statement by the representative of Japan made on October 13 to the effect that the Japanese Government would withdraw those of its troops still remaining in a few localities outside the said zone as the present atmosphere of tension clears and the situation improves, by the achievement of a previous understanding between the Chinese and Japanese Governments as regards the fundamental principles governing normal relations—that is to say, affording an assurance for the safety of the lives of Japanese nationals and for the protection of their property.

(5) Recommends the Chinese and Japanese Governments to confer together at once with a view to arriving at the understanding mentioned in paragraph 4.

(6) Recommends the Chinese and Japanese Governments to appoint representatives to arrange the details of execution of the evacuation and of taking over the districts evacuated.

(7) Asks the Chinese and Japanese Governments to be so good as to keep the council informed of the progress of the negotiations between them and the position as regards the execution of the present resolution.

(8) Authorizes its president to take, after examination of the above communications, all such measures as he may think necessary to insure the carrying out of the present resolution, and to convene the council at any time with a view to a fresh examination of the position.

*Declaration by Japanese Government of October 26, communicated to the Council of the League of Nations*

1. On the 22d day of October, the Japanese representative in the Council of the League of Nations proposed certain amendments to the resolution then before the council with regard to questions of (1) withdrawal of Japanese troops to the railway zone and (2) direct negotiations between China and Japan. However, these suggested amendments as well as the resolution itself, fell through, having failed to obtain unanimous approval of the council.

2. As has been repeatedly emphasized by the Japanese Government, the whole Manchurian affair was occasioned solely by a violent and provocative attack launched by the Chinese Army on the railway zone. Certain small contingents of Japanese soldiers still remaining at a few points outside that zone are insistently demanded by the danger to which a large population of Japanese in that region are exposed in life and property. The presence of such a limited number of troops is quite incapable of being represented as a means of dictating to China Japan's terms for the settlement of the present difficulties. Nothing is farther from the thoughts of Japan than to bring armed pressure to bear upon China in the course of these negotiations.

3. The Japanese Government have on various occasions given expression to their firm determination to suffer no abridgment or diminution of the rights and interests of Japan, which are vital to her national existence and which are woven into the complex fabric of her political and economic relations with China. Unfortunately, the so-called "recovery of rights" movements in China have recently attained extravagant developments; while feelings antagonistic to Japan have been openly encouraged in textbooks used at various schools in China and have become deeply seated in the Chinese mind. In defiance of treaties and regardless of all history, vigorous agitation has been carried on in China with the object of undermining rights and interests of Japan, even the most vital. As things stand at present, the complete withdrawal of Japanese troops to the South Manchuria Railway zone under the mere assurance of the Chinese Government would create an intolerable situation, exposing Japanese subjects to the gravest danger. The risk of such danger is clearly evidenced by past experience and by conditions which actually obtain in China.

4. The Japanese Government are persuaded that in the present situation the safety of Japanese subjects in Manchuria can hardly be insured without provision being made to remove national antipathies and suspicions existing in the mutual relations of the two powers. With this end in view, they have already expressed in the note of the Minister for Foreign Affairs of October 9 to the Chinese minister at Tokyo their readiness to enter into negotiations with the Chinese Government on certain basic principles that should regulate normal interrelationship between the two countries. That note was communicated at the same time to the council of the league. Convinced that this method of procedure is alone calculated to open out a way to save the situation, the Japanese Government have consistently held to their proposals in that sense throughout the recent discussions at

CONDITIONS IN MANCHURIA

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the council of the league. The basic principles which they have had in mind relate to—

- (1) Mutual repudiation of aggressive policy and conduct.
- (2) Respect for China's territorial integrity.
- (3) Complete suppression of all organized movements interfering with freedom of trade and stirring up international hatred.
- (4) Effective protection throughout Manchuria of all peaceful pursuits undertaken by Japanese subjects.
- (5) Respect for treaty rights of Japan in Manchuria.

The Japanese Government believes that all these points, being in entire accord with the aims and aspirations of the League of Nations and embodying a natural basis on which peace in the Far East must depend, will commend themselves to the approval of the public opinion of the world. Refusal by the Japanese representative to lay these points on the table of the council of the league was due to the consideration that in their nature they should properly form the subject of negotiations between the parties directly involved.

5. With the future welfare of both nations in mind, the Japanese Government feels urgent need at the present moment to arrive at a solution of the problem by the cooperation of the two countries, which would thus seek a path of common happiness and prosperity. Their willingness remains unaltered and unabated to open negotiations with Chinese Government on the subject of the basic principles above formulated relating to the normal relations between Japan and China and on the subject of the withdrawal of Japanese troops to the railway zone.

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*Note from Chinese representative on council of the league to the president of the council. (Circulated October 27, 1931)*

With reference to the observations on treaty obligations made in the council this morning by the honorable delegate for Great Britain with which I am in hearty agreement, I am authorized by my government to make the following declaration:

China like every member of the League of Nations is bound by the covenant to a "scrupulous respect for all treaty obligations." The Chinese Government for its part is determined loyally to fulfill all its obligations under the covenant. It is prepared to give proofs of this intention by undertaking to settle all disputes with Japan as to treaty interpretation by arbitration or judicial settlement as provided in article 13 of the covenant.

In pursuance of this purpose the Chinese Government is willing to conclude with Japan a treaty of arbitration similar to that recently concluded with the United States and China or to those concluded of recent years in increasing numbers between members of the league.

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*Note from Briand as president of the council to Japanese representative on council in reply to the Japanese declaration dated October 26*

OCTOBER 29, 1931.

As president of the Council of the League of Nations, I have examined most carefully the Japanese Government's declaration dated October 26, which your excellency was good enough to com-

municate by telegram to me and to the other members of the council through the secretary general.

I feel I must submit to you certain observations on this communication.

Since the last meeting of the council, when the draft resolution on which my colleagues had asked me to report secured the approval of all the members of the council except the Japanese representative, the position in regard to the question submitted to us for consideration has become clear. It may be stated as follows:

Independently of the vote taken at the last council meeting, which retains its full moral force, we still have before us, from the juridical standpoint, a valid resolution, namely, that which was unanimously adopted on September 30, and which retains its full executory force.

In that resolution the council noted the statement made by the Japanese representative that the Japanese Government:

Will continue as rapidly as possible the withdrawal of its troops which has already been begun, into the railway zone in proportion as the safety of the lives and property of Japanese nationals is effectively assured and that it hopes to carry out this intention in full as speedily as may be.

No indication whatever was given at that time by the Japanese representative that matters such as an agreement as to the treaty rights of Japan in Manchuria were in any way connected with the safety of the lives and property of Japanese nationals.

It is further to be noted that in the two draft resolutions submitted to the council on the 24th of October, the first three paragraphs are exactly the same, your excellency having withdrawn the amendment to paragraph 3 which you had submitted. It may therefore be assumed that these paragraphs express the will of the two parties. In their declaration of October 26, the Japanese Government further stated that, when it referred to certain fundamental principles it had in mind the following:

1. Mutual repudiation of aggressive policy and conduct—paragraph 2 of the two drafts submitted on October 24 states that "the two governments are bound not to resort to any aggressive policy or action."

2. Respect for China's territorial integrity. Paragraph 3 of the two drafts records an undertaking to that effect.

3. Complete suppression of all organized movements interfering with freedom of trade and stirring up international hatred. Paragraph 2 of the two drafts declares that the two governments "are bound to take measures to suppress hostile agitation."

4. Effective protection throughout Manchuria in order to allow Japanese nationals to engage there in any peaceful pursuits. Paragraph 1 of both drafts declares that the Chinese Government are pledged to the effective protection of Japanese subjects residing in Manchuria.

The fact that on the one hand the Chinese representative accepted the terms of the resolution which I proposed on behalf of my colleagues and that on the other hand the counterdraft of the Japanese representative contained the three paragraphs to which I have referred show that the two governments are in complete agreement on these four points.

There remains only the last point: "Respect for treaty rights of Japan in Manchuria."

Sec. 3(E) and 5(D) or (E)  
, August 10, 1972  
NARS, Date 12-18-75

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With regard to this point I would call your excellency's attention to the letter addressed to me by the Chinese representative on the 24th of October in which Doctor Sze declares that:

China, like every member of the League of Nations, is bound by the covenant to a "scrupulous respect for all treaty obligations." The Chinese Government for its part is determined loyally to fulfill all its obligations under the covenant. It is prepared to give proofs of this intention by undertaking to settle all disputes with Japan as to treaty interpretation by arbitration or judicial settlement, as provided in article 13 of the covenant.

It therefore appears to me, and I feel sure that my colleagues on the council, including, I trust, your excellency, will agree that the Chinese Government have given to the council of the league, on which Japan has a permanent representative, pledges which cover the various fundamental principles raised by the Japanese Government.

In these circumstances I felt confident that the Japanese Government, being desirous of fulfilling the undertaking which it solemnly contracted under the terms of the resolution of September 30 and which, moreover it repeatedly confirmed by its declarations during the last session of the council, at the meetings of October 22, 23 and 24, will continue as rapidly as possible the withdrawal of its troops into the railway zone and that it will thus be able to carry out that intention to the full in the shortest possible time.

In view of the extreme importance which your government attaches to the safety of the lives and property of Japanese nationals in the territories evacuated by its troops, I venture to call your excellency's attention to paragraph 5 of the resolution submitted to the council on October 24, which recommends the two governments:

To appoint immediately representatives to settle the details relating to the carrying out of the evacuation and to the taking over of the evacuated territories, in order that these operations may be carried out in a regular manner and without delay.

*Memorandum of Chinese Government to the council of the league in reply to the declaration of the Japanese Government of October 26, 1931*

OCTOBER 31, 1931.

The Chinese Government received on October 28 from the secretary-general of the league a copy of the note of the Government of Japan of October 26 to which the Government of China begs to make the following reply.

The note of the Government of Japan of October 26 to members of the council repeats the statement that the sole reason why it refuses to withdraw its troops from Chinese soil is the danger that, in its view, would ensue to Japanese subjects and their property in the evacuated areas. As to this, the following observations may be made:

(1) The Chinese delegates' declaration to the council on October 23 expressed the view of the Chinese Government that it was the very presence of the Japanese troops in Chinese territory which created the danger of which the Japanese authorities now complain. This declaration was reinforced by that of M. Briand, president of the council, when, at the meeting of the council on October 24 he said:

I think public opinion would find it difficult to admit that military occupation could be assigned to the category of pacific means. I think that military occupation falls outside that class of measures, and therefore the prolongation of that

occupation also involves the prolongation of that feeling of uneasiness which has already lasted too long.

During the Washington conference no less an authority than the then American Secretary of State, Mr. Hughes, supported the view that military occupation fosters the disorder which is used as a pretext for the continuance of that occupation. Commenting upon the Japanese statement to the Washington conference that the Japanese Government could not withdraw its troops from eastern Siberia without endangering the lives and property of its subjects Mr. Hughes said:

The Government of the United States would be untrue to the spirit of cooperation which led it, in the summer of 1918, upon an understanding with the Government of Japan, to dispatch troops to Siberia, if it neglected to point out that, in this view, continued occupation of the strategic centers in Eastern Siberia \* \* \* and the establishment of a civil administration, which inevitably lends itself to misconception and antagonism, tends rather to increase than to allay the unrest and disorder in that region.

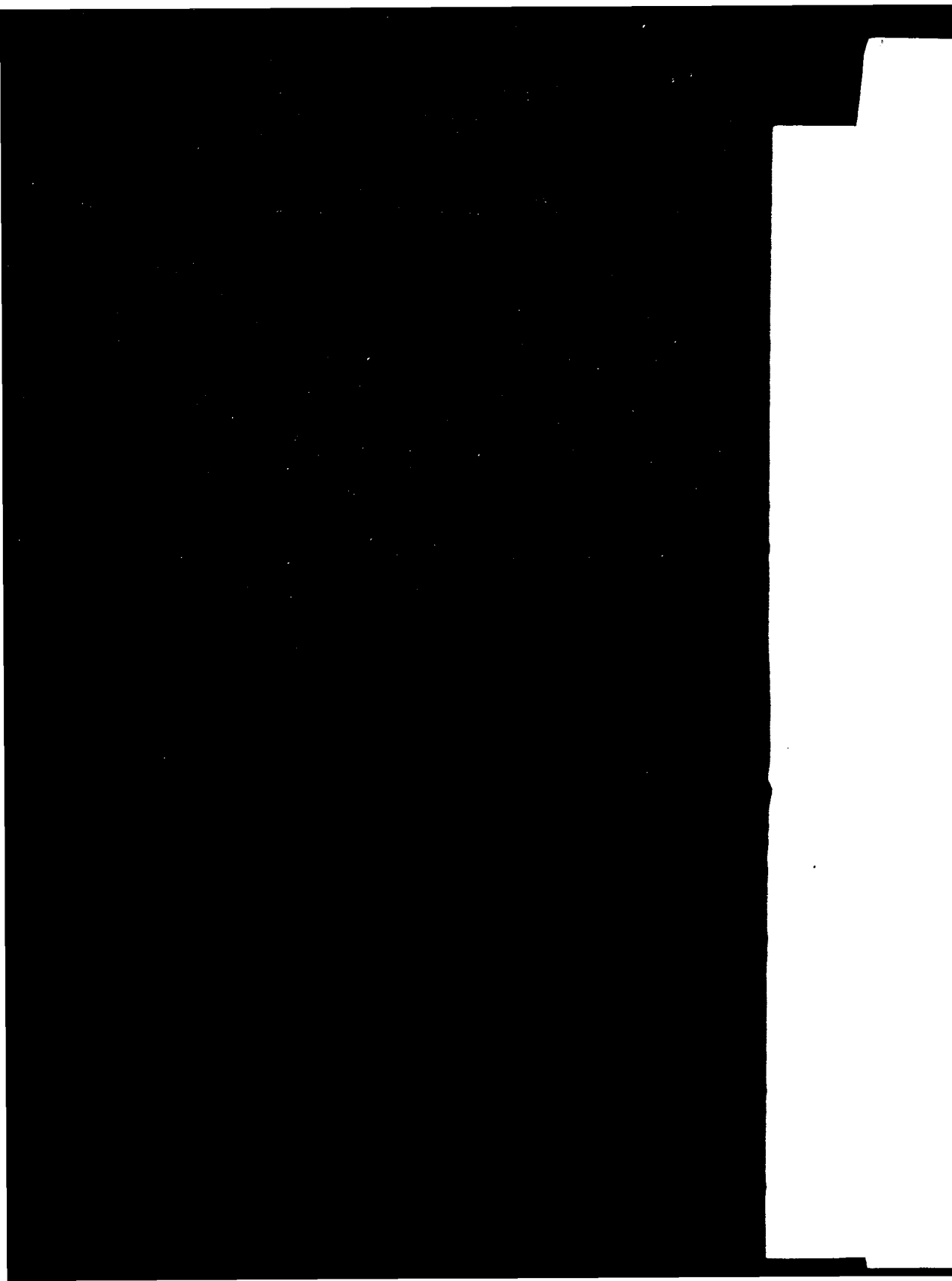
In the same formal statement made in reply to the argument of the Japanese Government with reference to the situation in Eastern Siberia Secretary Hughes said:

It (the United States) has regretted that Japan should deem necessary the occupation of Russian territory as a means of assuring a suitable adjustment with a future Russian Government.

(2) The resolution presented by the members of the council, other than the parties, on October 22, and accepted by the Government of China, takes note of the latter's undertaking to safeguard the lives and property of Japanese subjects in the reoccupied areas and invites it to attach neutral representatives to the Chinese authorities charged with the task. The Chinese representative further assured the council that the Chinese Government "is willing to examine in the most conciliatory spirit, here and now, any proposals for extending the system of neutral officers, or, with the help of the league, of devising any other arrangements on the spot to guarantee the safety of Japanese lives and property in the reoccupied territory, in order to dispel any apprehensions the Japanese Government may entertain as to the danger to its subjects that might result from compliance with the council's resolution".

If, indeed, it be true that, as stated in the Japanese note of October 26, there are only "certain small contingents of Japanese soldiers still remaining at a few points outside the railway zone," the Chinese Government is confident that, with the help of the league, means can be speedily found, as suggested by the representative of China, whereby these contingents of Japanese troops can be rapidly and with safety withdrawn.

(3) The Chinese Government notes with satisfaction the emphatic denial of the Japanese Government that it has any intention to bring armed pressure to bear in its negotiations with China. But the Chinese Government feels constrained to point out that, if this be the view of the Japanese Government, the only way to give effect to it is to cease to demand, as a condition precedent to the evacuation of its troops, that China should come to an agreement with Japan on basic principles which are to govern the whole of the future relations of the two countries.





DECLASSIFIED: E.O. 11652, 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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E.O. 11652, Sec. 3(E) and 5(D) or (E)  
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Justafsm NARS, Date 12-18-75

#### CONDITIONS IN MANCHURIA

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The council's resolution and undertakings of the Chinese Government before the council give the amplest guarantees for the safety of the lives and property of Japanese nationals in the areas to be evacuated by the Japanese troops. The giving effect to these guarantees and undertakings involves nothing more than local arrangements on the spot which can proceed *pari passu* with the withdrawal of the Japanese troops, and will require, as M. Briand pointed out in the council, at the most only a few days. This is a matter entirely distinct from and unconnected with diplomatic negotiations between the Governments of China and Japan.

(4) The Chinese Government shares with the Japanese Government the desire to put an end, once and for all, to the state of tension between the two countries, and ardently desire to place their relations upon a new and better foundation—one that will insure permanent peace and friendship.

It is the Chinese Government's view that the first step to consummate this end, is compliance with the council's resolution. So long as Japanese troops are in illegal occupation of Chinese soil, contrary to the council's request and in violation of article 10 of the covenant, of article 2 of the pact of Paris, and of article 1 of the nine-power treaty of Washington, neither good relations nor negotiations between the two countries are possible. The moment this situation is ended, the two countries, as loyal members of the league, can begin to strive, by common agreement, to end its evil effects.

It is the Chinese Government's view that the only way to profit by the lesson taught by the events of the past few weeks, to reap the benefits of the league's intervention, and to prevent a recurrence of controversies which may endanger peace in the Far East, is the establishment, as has been proposed by the Chinese Government, of a permanent board of conciliation and arbitration for the peaceful and just settlement of such differences as may arise between the two countries.

The Chinese Government repeats that the issue which requires to be met is, as provided in the council's resolution, the withdrawal of the Japanese troops which is to begin immediately and to be completed before November 16.

*Telegram from the American minister to China transmitting written request of the Chinese Government*

SHANGHAI, November 2, 1931.

SECRETARY OF STATE,  
Washington:

My October 26, 7 p. m.

From Nanking. I received on the eve of my departure from Nanking a written request from the Acting Minister for Foreign Affairs, dated October 28, asking the "American Government to designate representatives with whom the Chinese authorities will be pleased to associate in accordance with the terms of the resolution of October 24 of the Council of the League of Nations." The Acting Minister for Foreign Affairs asks me to communicate to him as soon as possible the names of the representatives to be appointed by the United States.

I communicated department's attitude as set forth in the last sentence of department's 103, October 27, 5 p. m., to Nanking, orally to the Acting Minister for Foreign Affairs.

Repeated to Peiping.

JOHNSON.

NOTE.—The last sentence of department's 103, October 27, 5 p. m., was to the effect that until the American Government should be informed as to the action taken by the members of the League of Nations as to paragraph 4 of the resolution of October 24, it preferred to take no action in this matter.

*Note of Chinese Government to American minister to China*

WAICHIAOPU, NANKING, November 2.

EXCELLENCY: Referring to my note of October 28 in which the Chinese Government invited the American Government to designate representatives to associate with the Chinese authorities in the taking over of places in Manchuria to be evacuated by Japanese troops, I have the honor to inform your excellency that the Chinese Government has appointed a commission for the reoccupation of evacuated territories which is composed of the following members: Dr. V. K. Wellington Koo, chairman, General Chang Tsin Hsiang, Mr. Chang Chun, Mr. Wu Te Chen, Dr. Lo Wen Kan, Mr. Tang Erh Ho, Mr. Lin Chi.

The Chinese Government takes this opportunity to request the American Government to expedite the appointment of its representatives who, it is hoped, will speedily proceed to Manchuria and associate with the above-mentioned Chinese officials.

I avail myself, and so forth,

CHING LUN.

FRANK W. LEE,

*Acting Minister for Foreign Affairs.*

NELSON TRUSLER JOHNSON,  
*American Minister.*

NOTE.—There was no written reply to this note. The department instructed the American minister to China that he might reply orally to the effect that any action in regard to paragraph 4 of the resolution voted upon on October 24 by the council of the league should properly be taken in the first instance by the council or governments members of the league and that until it had been informed specifically as to the action taken by the league members, this Government preferred to reserve decision.

*Memorandum delivered to the Japanese Government by the American ambassador at Tokyo pursuant to instructions of the Secretary of State*

NOVEMBER 5, 1931.

My Government acknowledges the receipt of the Japanese Government's note of October 24, 1931, in reply to its note of October 21, 1931.

My Government notes with satisfaction the reference of the Japanese Government to the pact of Paris and the assurance that it is the settled aim of the Japanese Government to compose its differences with China by one but pacific means.

August 10, 1972

NARS, Date 12-18-75

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My Government notes also the statement that the Japanese railway guards, in taking military measures in Manchuria since the night of September 18 last, have been actuated solely by the necessity of defending themselves and of protecting the south Manchuria Railway and the lives and property of Japanese subjects against attacks by Chinese troops and armed bandits.

It is clear that the events of the last few weeks affect the rights and interests not only of Japan and China, but of the many nations which have relations with these two countries, and which are associated with both by ties of friendship and of reciprocal advantages as well as by the more formal ties of treaty relationship, and it is because of this that the United States, along with other nations similarly situated, has felt not only free but in duty bound to express its views.

From the information in its possession, my Government can not escape the conclusion that in the efforts to protect the South Manchuria Railway and the lives and property of Japanese subjects against attack a situation has been created in Manchuria which gives Japan substantial control of southern Manchuria and has, temporarily, at least, destroyed the administrative integrity of China in this region. On this my Government neither attributes motives nor passes judgment, but desires solely to point out the fact.

It appears to my Government that there are two separate and distinct points to be considered. First, the peaceful solution of the present unfortunate situation in Manchuria, and, second, a solution through direct negotiation of the various matters at issue between Japan and China arising from misunderstanding as to the respective rights of the two nations as claimed under various treaties.

With regard to the first point, my Government can not escape the conclusion that effective withdrawal of the Japanese troops within the railway lines would destroy the idea, either on the part of China or of outside nations, that Japan intends to use military pressure to bring about a settlement of the broader issues. That it is not the Japanese Government's intention thus to exert pressure has already been clearly indicated in the statement issued by the Japanese Government in Tokyo on October 27. It is further the belief of my Government that the second and broader question can not appropriately be settled until the first has been disposed of. The withdrawal of the troops, as soon as this can be safely accomplished in the present emergency, would inevitably create a more favorable atmosphere in which negotiations may be carried on and would also constitute an impressive demonstration to the world of Japan's often repeated assertion that it has no territorial ambitions in Manchuria and that it intends strictly to abide by the treaties guaranteeing the administrative integrity of China and providing for the settlement of all controversies solely by pacific means.

It is in the light of the above that my Government has noted with regret and concern that at the meeting of the Council of the League of Nations the representative of the Japanese Government should have insisted that these broader matters, which would seem to have little direct bearing on the immediate situation, should be discussed and be disposed of by negotiations between Japan and China in advance of the withdrawal of Japanese troops from the points of occupation outside the railway zone.

As to the second point, the settlement of the broader issues involved in the treaty rights, my Government is in complete sympathy with the desire of the Japanese Government to obtain a solution which will be satisfactory to both parties and which, being so, would give promise of permanence. It can not bring itself to feel, however, that the solution of these broader issues should be made a condition precedent to the solution of the present situation in Manchuria. My Government further takes occasion to state that if negotiation of these broader issues, subsequently undertaken, should not eventuate in a conclusion acceptable to both parties, there exist numerous methods or agencies of arbitral, conciliatory, or judicial settlement, which might be invoked by Japan and by China, including methods or agencies in the creation of which both countries have participated. Recourse to one or another of these might not only facilitate arrival at an equitable settlement but would result in the assurance to both the Japanese and the Chinese Governments that the settlement so arrived at would enlist the approval and support of public opinion throughout the world.

My Government finds confirmation of its views as expressed above in its scrutiny of the position taken by the Council of the League of Nations as expressed in the resolution adopted by the council on September 30 and in the draft resolution upon which 13 members of the council gave affirmative vote on October 24. My Government hopes that the Japanese Government will find it possible to share the view of those nations that negotiations looking to the settlement of longstanding issues between Japan and China ought not be made a condition precedent to the evacuation of the occupied positions and by so doing avail itself of the opportunity presented to refute conclusively any implication that exertion of military pressure was in any way intended to affect the process of arriving at a settlement of the points at issue. My Government confidently hopes that both Japan and China will be guided by the spirit of the resolutions above referred to and will make every possible effort to follow a course consistent therewith.

During October fighting developed south of Tsitsihar between two Chinese generals, one of whom, Ma Chan-shan, recognized the authority of Marshal Chang Hsueh-liang. In the course of the fighting, the Taonan-Anganchi railway bridges crossing the Nonni River were destroyed and Japanese troops advanced to protect a party of engineers in making necessary repairs.

A 3-day battle between the Japanese and Chinese forces took place November 4 to 6 as a result of which the Japanese occupied territory north of the Nonni River. Later, on November 18, the Japanese troops attacked and defeated General Ma's forces, crossed the Chinese Eastern Railway and occupied Tsitsihar, the headquarters of General Ma and the capital of the Heilungkiang Province.

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*Telegram of president of the council to the Chinese and Japanese Governments*

NOVEMBER 6, 1931.

The extension of incidents toward Northern Manchuria and the serious nature of information supplied regarding those incidents by the Chinese and Japanese Governments can not but increase the anxiety of the council and public opinion. As president of the council I desire to remind you that the Chinese and Japanese representatives have given assurances that their governments will take all necessary steps to avoid aggravating the situation. The council placed these solemn undertakings on record in its resolution of September 30. To fulfill those undertakings it now seems to me necessary for the two governments to issue instructions without delay to the officers commanding their forces in order to remove all possibility of sanguinary engagements between Chinese and Japanese troops as any further serious incidents may make it even more difficult for the council to pursue its efforts for the maintenance of peace and the peaceful settlement of the dispute with which it is called upon to deal.

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*Reply of Japanese Government to note of the president of the Council of the League*

NOVEMBER 7, 1931.

I have the honor to acknowledge the receipt of your excellency's note of October 29, in which you were so good as to make certain observations on the declaration of the Japanese Government of October 26, in connection with the Manchurian incident. Having referred to Tokyo your communication under acknowledgment, I am now charged to assure you that my Government have submitted it to their most serious consideration, and that they highly appreciate your sympathetic concern in the present situation in the interest of international peace and good understanding.

2. I am further instructed to express the entire concurrence of my Government in your excellency's remark that the resolution adopted by the Council of the League of Nations on September 30 remains in full force and effect. The Japanese Government are determined to carry it out in the letter and in the spirit, and they reaffirm their earnest desire to proceed to the withdrawal of the Japanese troops to the railway zone with the minimum of delay.

3. But the resolution of September 30 consecrates the principle that effective security must at the same time be assured for the lives and property of Japanese subjects; and in the state of tension which at present unfortunately exists, it is not possible to hope that the withdrawal of the Japanese forces would immediately give place to a regime of settled peace and order under Chinese auspices. Japan and China would simply be exposed to a speedy recurrence of untoward incidents.

There can be no security for foreign residents where hostile agitation against them is allowed to proceed, where efficient protection to them in their peaceful pursuits is denied by the local authorities, or where their treaty rights are systematically ignored.

Having regard to the actual conditions in Manchuria, the Japanese Government have regretfully been brought to the conclusion that the

dangers involved in the precipitate recall of the Japanese troops could not be averted by measures of supervision such as are recommended in the proposed resolution of October 24 referred to in your excellency's note under review.

4. It is pointed out in your note that the first four points of the five fundamental principles mentioned in the Japanese declaration of October 26 are virtually embodied in the proposition of October 24. Your excellency, however, will, no doubt, perceive that the terms of that proposition are not sufficiently explicit or comprehensive to cover the full implications of the four points in question.

As regards the fifth point, viz, the guarantee of respect for Japanese treaty rights in Manchuria, the terms of the letter addressed to you on October 24 by the Chinese representative seem to give rise to a doubt whether it is in the contemplation of the Chinese Government to call in question the validity of some of the treaties constituting the basic embodiment of the relations between Japan and China.

It may be needless to state that the Japanese Government could not for a moment entertain such a contention. Nothing can be more destructive of the established order of the whole world than to permit any power to challenge the binding force of treaties concluded with all the solemnity of international usages.

5. The Japanese Government trust that they have made it clear that the five fundamental principles mentioned in the Japanese declaration of October 26 are no more than those that are commonly observed in the intercourse of ordered communities with one another. Unless and until an arrangement is reached between Japan and China on the basis of those principles no measure of security for the lives and property of Japanese subjects sufficient to enable the withdrawal of the Japanese troops to the railway zone can possibly be assured.

The Japanese Government believes that the course of procedure now indicated is in entire agreement with the resolution of the council of September 30.

It is far from their thoughts to insist on the final adjustment of the whole series of pending questions between Japan and China as a condition precedent to the withdrawal of the troops. All that they urge upon China for the present is a frank recognition, by direct negotiations between the two parties, of the fundamental principles that should govern normal relations between any two nations. Such an accord will be a long step toward replacing the existing tension by a sense of stability between the peoples of the two nations, whose interest is to be on the best of terms.

*Reply of the Chinese Government to the telegram from the president of the council of November 6*

NOVEMBER 8, 1931.

Kindly forward following telegram to His Excellency Briand, President of Council League Nations:

Chinese Government has received telegraphic communication from your excellency and has honor to reply as follows:

In dealing with invasion and occupation various places in Manchuria by Japan, Chinese Government has consistently relied on efforts of League Nations in hope world peace will be maintained by

pacific settlement present question. It has therefore faithfully fulfilled obligations set forth in council's resolutions, especially obligation not to resort any aggressive policy or action so as to aggravate existing situation, thereby contributing to success of efforts members of Council.

However, Japan has not only failed even indicate her intention abide by recommendations of council but has continuously extended scope of her military aggressions. Since September 30 Japan had in disregard of resolution of council, progressively continued her unlawful actions culminating in bombardment Chinchow October 8. Since October 24 Japan has, in defiance pronounced wish of council, committed more acts of war which have considerably aggravated situation. Chinese representative has communicated to council reports of unfortunate events of last two weeks, including seizure Newchang of large amounts salt revenue of Chinese Government.

November 2 large detachments of Japanese troops advanced to Nonni River Bridge which is only 90 kilometers from capital Heilungkiang. Using bandits and rebels as their tools Japanese troops later crossed river and attacked Chinese troops. The latter who were stationed more than 10 kilometers away from bridge have been compelled adopt necessary defensive measures in order repulse attack deliberately started by Japanese troops. Situation in Heilungkiang is most grave and Japan's intention occupy Tsitsihar by force thus consummating overthrow of established legal authority and creating subservient administration in North Manchuria has now been brought full light. Chinese Government earnestly hopes that governments of the various powers will immediately send representatives to observe real situation on spot and to secure evidence of flagrant violations council's resolutions by Japan.

Chinese Government always believes League of Nations is supreme institution world for maintenance peace. It is therefore confident that most effective means permitted by covenant of league will be used by members of council to stop Japan's aggressive actions and to cause her carry out recommendations of council and that particularly labors your excellency as president council will be most fruitful so that peace and justice as result of these efforts on part league will finally prevail.

(Signed)

CHINGLUN FRANK W. LEE,  
*Acting Minister Foreign Affairs.*

*Reply of the Japanese Government to the telegram from the president of the council of November 6*

NOVEMBER 8, 1931.

Acting on instructions from my government I transmit to you reply to the telegram from His Excellency M. Briand:

1. The Japanese Government has honor to acknowledge receipt of your telegram, which reached Tokyo November 7.

2. Troops at Heilungkiang stationed north of Nonni River, violating agreements which had been made, opened fire on Japanese troops sent for protection repairs to Nonni railway bridge; this was reason of engagements which took place between Japanese and Chinese troops.



3. The Taonan-Angangchi railway was constructed by South Manchurian Railway Co. under contract and handed over to the Chinese authorities in 1927. Since then latter have always refused to pay costs of construction though repeated applications have been made to them for the purpose. They have also refused to convert their debt into a loan. Thus this railway though in the hands of the Chinese authorities may practically be considered as property belonging to the South Manchurian Railway. This railway is one of the lines feeding the South Manchurian.

4. When about mid-October army of Heilungkiang had destroyed Nonni Bridge, the Taonan-Angangchi Railway administration obtained permission from the authorities of Heilungkiang to send employees to repair bridge. Latter were attacked by Heilungkiang troops and could not carry out their task. Nevertheless, any delay in restoring the bridge at this period of the year when traffic in agricultural produce is heaviest, causes serious loss to the South Manchurian Railway.

5. Japanese consul at Tsitsihar has on several occasions, with a view to protecting interest of South Manchurian Railway, called upon authorities of Heilungkiang to repair the bridge, but latter have systematically adopted dilatory attitude and always been unwilling to give him a definite reply.

However, date when Nonni River begins to freeze was approaching, and there was reason to fear that it would soon be impossible to undertake work. The Taonan-Angangchi Railway administration therefore decided to ask assistance from South Manchurian Railway to begin work as from November 4, and at the same time asked for protection of Japanese troops.

6. Japanese command having considered that for the purpose of preventing any engagement between Chinese armies in presence on both banks of the river, it was necessary that they should withdraw 10 kilometers, sent on November 2 through Japanese consul at Tsitsihar and through staff of the Kwantung troops to the authorities of Heilungkiang request that their troops should be withdrawn to that distance from the north bank of the Nonni River. Authorities of Heilungkiang agreed to do so. However, orders given by them were not carried out by their troops and on November 4 the latter had not only not withdrawn from the banks of the Nonni but they opened heavy fire on our troops who were approaching the bridge. We lost 15 men. Our troops withdrew for a moment but having obtained reinforcements began on November 6 at noon, to repel troops of Heilungkiang north of Tahsing railway.

7. The sole object of movement of Japanese troops in Nonni area is thus protection of the employees of the Taonan-Angangchi railway administration engaged in repairing the bridge. They were compelled by treacherous attack directed against them by Chinese troops to drive the latter back. Our central military authorities had already on November 6 given orders to limit operations to what is strictly necessary. Moreover, detachments which had been sent as reinforcements are now stopped at Supinghai and Chenchiatung.

8. Japanese troops are endeavoring, as indicated above, to prevent any encounter with Chinese troops and Japanese Government considers there is no reason to fear aggravation of the situation if the Chinese do not resort to new acts of hostility.

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*Reply of Japanese Government to memorandum of American Government  
of November 5, 1931*

(Handed to the Secretary of State by the Japanese Ambassador, November 9, 1931)

The Japanese Government welcomes the views of the American Government so thoughtfully expressed in the memorandum of the American Embassy of November 5, on the subject of the Manchurian incident.

In that memorandum the attention of the Japanese Government is invited to the fact that "a situation has been created in Manchuria which gives Japan substantial control of southern Manchuria and has temporarily, at least, destroyed the administrative integrity of China in that region."

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It is evident that shortly after the military action taken by the Japanese railway guards along the South Manchurian Railway to defend themselves as well as to protect the railway and the lives and property of Japanese subjects against attacks of the Chinese armed forces, the Chinese authorities in the affected districts have practically ceased to function. In consequence, the Japanese military authorities were obliged to undertake for some time the duty of maintaining peace and order in such districts.

Recently, however, local committees for the preservation of peace have been set up in various places by resident Chinese, and have organized a police force for that purpose. In the city of Mukden, for instance, the Chinese committee has under its direction and control 4,000 police officers and men. Those local bodies for the maintenance of public order serve to lighten the police functions of the Japanese troops, and are, as such, favorably received by the Japanese Government. Should they prove themselves effective to assure a reasonable degree of security in the respective districts, and to afford adequate protection to foreign residents, the Japanese troops will be ready at any time to withdraw to the railway zone.

The state of things now prevailing in Manchuria is certainly abnormal. But it is only temporary. Similar conditions occurred in Tsinan in 1928-29, when the Japanese forces were in occupation of that district in order to protect Japanese residents against ravages of the Chinese troops. In no case have such military measures been inspired by any thought of bringing about any territorial or administrative dismemberment of China. It will be recalled that soon after the close of the Sino-Japanese War of 1894-95, a policy looking to the eventual "partition of China" appeared to be gaining ground in some quarters of the world. In the denunciation of such a policy, the United States, Japan, and Great Britain were in complete accord, and their determination to respect the territorial and administrative integrity of China was affirmed in many of the diplomatic instruments signed by those powers. The Japanese Government remains unchanged in their stand against the partition of China.

In the memorandum of the American Embassy under review, it is pointed out that there are two distinct points to be considered: First, the peaceful solution of the present situation, and, second, a solution through negotiation of the various matters at issue between Japan and China, arising from misunderstanding as to the respective treaty rights of the two nations. The memorandum then proceeds to conclude that a settlement of the various broader issues of the second point can not appropriately be reached until the first has been disposed of.

The Japanese Government feel that their position is virtually in harmony with that conclusion of the American Government. They have no intention of insisting on the final adjustment of the whole series of their controversies with China, as a condition precedent to the withdrawal of Japanese troops to the railway zone. Their efforts for the present are primarily directed toward the peaceful solution of the present situation. It is not, however, possible to hope, as things stand at this moment, that the recall of the Japanese troops now operating outside the railway zone would solve the existing situation. With the replacement of the Japanese troops by the Chinese, violent hostile agitation against Japan under the auspices, overt or covert, of

the Chinese authorities would be set to work in Manchuria as in other parts of China. Japanese and Koreans carrying on peaceful pursuits in that region would once more be subjected to persecution and outrage as they have been for several years. All the treaty rights of Japan would be challenged and ignored, and the security of Japanese subjects would at once be menaced.

Such dangers would inevitably be involved in any premature withdrawal of the Japanese troops. In order to provide against those dangers, the Japanese Government have been brought to the conclusion that candid recognition, by an arrangement between Japan and China, of certain fundamental principles, the substance of which has already been communicated to the American Government, is of supreme importance. The principles which they have thus formulated are no more than those that are generally observed in practice in dealings of organized peoples with one another. In seeking agreement on terms of such a nature, Japan can not justly be accused of any intention of exerting military pressure on China. The Japanese Government trust that an arrangement between Japan and China on those fundamental principles, affording as it will a measure of security for the lives and property of Japanese subjects, will pave the way for an early withdrawal of the troops to the railway zone.

They believe that the arrangement now indicated can not be regarded as solution of the various matters of the second point mentioned in the memorandum of the American Embassy, but that it is simply a process for the settlement of the first point. The whole Manchurian incident is an outcome of manifold and complicated events with historical background extending over more than 30 years. The Japanese Government hope that it will be appreciated that time and patience are needed for an adjustment of the problem.

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On November 5, M. Briand called the Council of the League of Nations to meet November 16 in Paris, instead of in Geneva.

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*Instructions to Ambassador Dawes from the Secretary of State*

NOVEMBER 10, 1931.

Confirming telephone conversation, you are requested to be present in Paris during the next few days so that you may be available for conference with Monsieur Briand and perhaps the representatives of other nations who are gathering there for the adjourned meeting of the Council of the League of Nations on November 16 in connection with the situation which has arisen in Manchuria. It is not expected that you will find it necessary to attend the council meetings, but since the development in Manchuria and the discussions which will take place in Paris presumably will involve matters affecting the treaty rights and general interests of the United States, it is considered desirable that you be available for conference on matters bearing thereon.

Sec. 3(E) and 5(D) or (E)  
August 10, 1972  
NARS, Date 12-18-75

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*Text of telegram sent by president of the council to Japanese Government  
and Chinese Government*

NOVEMBER 11, 1931.

Request you to thank Chinese and Japanese Governments for replies they have made to telegram I sent them through you on November 6. After carefully studying these replies and the latest communications received, I feel I must insist once more on undertaking entered into by both governments to make every effort to avoid any aggravation of situation. I also urge that commanders of opposing forces should receive strictest orders to refrain from initiating any fresh action. Lastly, I consider it extremely important that facilities should be given to the observers whom the members of the council may send to the scene, particularly neighborhood of Nonni Bridge and Angangchi, to collect information referred to in resolution of September 30.

*Telegram from the Chinese Acting Minister for Foreign Affairs to the  
American minister to China*

NOVEMBER 11, 1931.

His excellency Nelson Trusler Johnson, American minister.

I have the honor to request your excellency to appoint representatives to proceed to Tientsin at once to investigate the serious occurrences there during the last two days. I further request your excellency to advise the American Government of the real facts that may be found by your representatives.

CHING LUN,  
FRANK W. LEE.

NOVEMBER 10.

NOTE.—There was no written reply to this telegram since the American consul general had already been instructed to investigate and report to the department with regard to the occurrences at Tientsin.

*Communication from the Chinese Ministry of Foreign Affairs to the  
American minister in China as reported in a cable from the latter to  
the Secretary of State dated November 14, 1931*

NOVEMBER 14, 1931.

SECRETARY OF STATE,  
Washington.

Inclosed with a note dated November 11, Ministry of Foreign Affairs sent: (1) Plans for the taking over occupied places in Manchuria, (2) regulations governing the organization of commission for the reoccupation of the evacuated territory of the northeast, and (3) a list of the members of the commission.

The plans include the inviting of the representatives of the different powers to cooperate. It is expected that these representatives will observe the working of the commission and remain in reoccupied places until they are sure that peace and order are effectively maintained. The best disciplined soldiers, gendarmes, and police will be dispatched by the government to places to be taken over. Martial

law is to be resorted to by the commission whenever necessary to protect life and property.

Special precautions are to be taken to insure the safety of all Japanese nationals but the Japanese Government is expected to warn its nationals in the evacuated territory against taking any undesirable course of action. The regulations are for 17 articles. Under these regulations, and instructions from the national government, the commission will arrange details in connection with the reoccupation and rehabilitation of the places in Manchuria now occupied by the Japanese. The commission is to be subdivided into the following sections:

1. Political, in charge of the taking over of the civil, financial, and industrial affairs of the evacuated places;

2. External affairs, in charge of consultations with the representatives appointed by the governments of the different countries, the arrangement of the details for the taking over of the evacuated places, and other matters related thereto;

3. Safety, in charge of the assignment and supervision of soldiers, gendarmes, and police, and the maintenance of peace in the evacuated places; and

4. Communications, in charge of railways, public roads, electrical communications, and all other facilities for communication. Chinese and foreign technical experts may be engaged to assist and make plans. In connection with the execution by the commission of the recommendations contained in the resolution of the League of Nations, the chairman of the commission requests invite the representatives appointed by the governments of the different countries to observe such execution. All facilities will be accorded to the representatives appointed by the governments of the different countries. The commission will record the proceedings of reoccupation and communicate for reference records of such proceedings to the representatives appointed by the governments of the different countries.

The regulations were promulgated by the National Government on November 7, 1931.

Members of the commission same as listed in Nanking's telegram November 3, 12 noon, to the American minister at Shanghai and subsequently repeated by him to the department.

MEYER.  
(For the Consul General).

*Communique issued by the Council of the League of Nations regarding proposed resolution*

NOVEMBER 25, 1931.

In the hope of establishing a resolution to be adopted unanimously including the votes of the two parties, in conformity with article 11 of the covenant, a draft scheme has been drawn up which deals separately with the withdrawal of the Japanese troops within the railway zone and the appointment of an international commission.

The substance of the scheme, which has been communicated to the two parties, is as follows;

The resolution of September 30 is recalled and reaffirmed. The two parties declare that they are solemnly bound by that resolution.

The two Governments are accordingly invited to take all steps necessary to assure its execution so that the withdrawal of the Japanese troops within the railway zone—a point to which the council attaches the utmost importance—may be effected as speedily as possible.

The two parties undertake:

To give to the commanders of their respective forces the strictest orders to refrain from any initiative which may lead to further fighting and loss of life, and to take all measures necessary to avoid any further aggravation of the situation.

The members of the council are invited to furnish it with information received from their representative on the spot.

It is proposed to appoint a commission to study on the spot and to report to the council on any circumstances which, affecting international relations, threatens to disturb peace between China and Japan or the good understanding between them on which peace depends. China and Japan would each be represented by an assessor.

The appointment and deliberations of the commission would not prejudice in any way the engagement taken by the Japanese Government and correlatively the resolution of September 30 regarding the withdrawal of the Japanese troops within the railway zone.

*Statement by Ambassador Dawes, November 25, 1931, regarding proposed league resolution*

The United States Government approves the general plan of settlement embodied in the proposed resolution of the Government of the United States and has so informed both China and Japan. It has urged upon them acquiescence in the general plan embodied in the proposed resolution.

After Japanese troops had defeated the forces of General Ma Chanshan and had occupied Tsitsihar, it became evident that the Japanese military authorities were considering the launching of an expedition against Chinchow.

On November 27 Japanese troops advanced in force from Mukden in the direction of Chinchow.

*Communication from the president of the council of the league to the Chinese and Japanese Governments*

NOVEMBER 25, 1931.

On behalf of my colleagues on the council I have the honor to make the following appeal to the Japanese and Chinese Governments. The council is striving to achieve a peaceful settlement of the dispute, but its efforts would be in vain if fresh engagements were to occur between Chinese and Japanese forces. The council specially calls the attention of the two Governments to the situation existing in the Chinchow region. Already certain governments have decided to send observers there. But it is for the two parties to give the commanders of their respective forces the strictest orders to refrain from

any action which might lead to further engagements and further loss of human life. My colleagues and I rely on the will of the two Governments to take all necessary measures for this purpose urgently.

*Letter from the secretary general of the League of Nations to Ambassador Dawes*

NOVEMBER 26, 1931.

May I draw your attention to a point in yesterday's discussion of the 12 members of the council other than Japan and China which I think may have a special interest for your Government.

After it had been decided that the president of the council should send a telegram to both the Chinese and Japanese Governments in connection with the threatening situation at Chinchow, the suggestion was made that the various governments might in addition and on their own responsibility take individual action. Two possibilities therefore were suggested. First, the dispatch of telegrams to the two governments exhorting them against any action which would aggravate matters in that region; and, second, the dispatch of as many observers as possible to the vicinity of Chinchow. The council finally agreed that it would be very helpful if the Government of the United States felt itself able to take independent action on these lines at the same time as the other governments.

*Communication from the Secretary of State read to the Japanese Minister of Foreign Affairs by the American ambassador and a copy delivered*

NOVEMBER 27, 1931.

I have been much concerned to learn from the president of the Council of the League of Nations that Mr. Yoshizawa called upon him Thursday and left an aide memoire regarding the very serious situation around Chinchow and the necessity of immediate steps to obviate a collision.

Your excellency will remember that on November 24 in response to my representations through Ambassador Forbes you assured me, with the concurrence of the minister of war and the chief of staff that there would be no movement of Japanese troops in the direction of Chinchow and informed me that orders to that effect had been given to the Japanese troops. In reliance upon this assurance I have urged conciliatory steps upon the Chinese Government and an acceptance of the proposal of the Council of the League of Nations, which proposal was in part based upon a proposition of the Japanese Government. Inasmuch as according to Mr. Yoshizawa's statement to M. Briand there are only some 20,000 Chinese troops in the Chinchow district and north of the Great Wall, and inasmuch as Chinchow is substantially 120 miles by rail from the South Manchurian Railway at Mukden, I am quite unable to see how there can be any serious danger to that railway or any serious danger of a clash between Chinese and Japanese troops unless the latter troops should fail to observe the orders which your excellency assured me had been given.

On November 30 Japanese headquarters at Mukden announced that these troops had been withdrawn east of the Liao River.

*Text of the resolution unanimously adopted by the Council of the League of Nations on December 10, as telegraphed to the Department of State by American Ambassador Charles G. Dawes*

DECEMBER 10, 1931.

The council first reaffirms the resolution passed unanimously by it on September 30, 1931, by which the two parties declare that they are solemnly bound. It therefore calls the Chinese and Japanese Governments to take all steps necessary to assure its execution so that the withdrawal of the Japanese troops within the railway zone may be effected as speedily as possible under the conditions set forth in the said resolution.

2. Considering that events have assumed an even more serious aspect since the council meeting of October 24, notes that the two parties undertake to adopt all measures to avoid any further aggravation of the situation and to refrain from any initiative which may lead to further fighting and loss of life.

3. Invites the two parties to continue to keep the council informed as to the development of the situation.

4. Invites the other members of the council to furnish the council with any information received from their representatives on the spot.

5. Without prejudice to the carrying out of the above mentioned measures.

Desiring in view of the special circumstances of the case to contribute toward a final and fundamental solution by the two governments of the questions at issue between them.

Decides to appoint a commission of five members to study on the spot and to report to the council on any circumstances which affecting international relations threatens to disturb peace between China and Japan or the good understanding between them upon which peace depends.

The Governments of China and of Japan will each have the right to nominate one assessor to assist the commission.

The two governments will afford the commission all facilities to obtain on the spot whatever information it may require.

It is understood that should the two parties initiate any negotiations these would not fall within the scope of the terms of reference of the commission nor would it be within the competence of the commission to interfere with the military arrangements of either party.

The appointment and deliberations of the commission shall not prejudice in any way the undertaking given by the Japanese Government in the resolution of September 30 as regards the withdrawal of Japanese troops within the railway zone.

6. Between now and its next ordinary session, which will be held on January 25, 1932, the council which remains seized of the matter invites its president to follow the question and to summon it afresh if necessary.

*Declaration made by the president of the Council of the League of Nations at public meeting of the Council of the League of Nations at Paris, December 10, 1931*

DECEMBER 10, 1931.

It will be observed that the resolution which is before you provides for action on two separate lines (1) to put an end to the immediate threat to peace; (2) to facilitate the final solution of existing causes of dispute between the two countries.

The council was glad to find during its present sittings that an inquiry into the circumstances which tend to disturb the relations between China and Japan in itself desirable, would be acceptable to the parties. The council therefore welcomed the proposal to establish a commission which was brought before it on November 21. The final paragraph of the resolution provides the appointment and functioning of such a commission.

I shall now make certain comments on the resolution paragraph by paragraph.

Paragraph 1. This paragraph reaffirms the resolution unanimously adopted by the council on September 30 laying particular stress on the withdrawal of the Japanese troops within the railway zone on the conditions described therein as speedily as possible.

The council attaches the utmost importance to this provision and is persuaded that the two governments will set themselves to the complete fulfillment of the engagements which they assumed on September 30.

Paragraph 2. It is an unfortunate fact that since the last meeting of the council events have occurred which have seriously aggravated the situation and have given rise to legitimate apprehension. It is indispensable and urgent to abstain from any initiative which may lead to further fighting and from all other action likely to aggravate the situation.

Paragraph 4. Under paragraph 4 the members of the council other than the parties are requested to continue to furnish the council with information received from their representatives on the spot.

Such information having proved of high value in the past, the powers who have the responsibility of sending such representatives to various localities have agreed to do all that is possible to continue and improve the present system.

For this purpose these powers will keep in touch with the two parties, so that the latter may, should they so desire, indicate to them the localities to which they would desire the dispatch of such representative.

Paragraph 5. Provides for the institution of a commission of inquiry. Subject to its purely advisory character the terms of reference of the commission are wide. In principle no question which it feels called upon to study will be excluded provided that the question relates to any circumstances which, affecting international relations, threaten to disturb peace between China and Japan or the good understanding between them upon which peace depends. Each of the two governments will have the right to request the commission to consider any question the examination of which it particularly desires. The commission will have full discretion to determine the questions upon which it will report to the council and will have power to make interim reports when desirable.

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If the undertakings given by the two parties according to the resolution of September 30 have not been carried out by the time of the arrival of the commission, the commission should as speedily as possible report to the council on the situation.

It is specially provided that "should the two parties initiate any negotiations, these would not fall within the scope of the terms of reference of the commission nor would it be within the competence of the commission to interfere with the military arrangements of either party." This latter provision does not limit in any way its faculty of investigation. It is also clear that the commission will enjoy full liberty of movement in order to obtain the information it may require for its reports.

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*Declaration made by the Japanese representative at the meeting of the Council of the League of Nations at Paris, December 10, 1931*

With regard to paragraph 2 of the draft resolution now before the council, I am happy to accept it on behalf of the Japanese Government on the understanding that this paragraph is not intended to preclude the Japanese forces from taking such action as may be rendered necessary to provide directly for the protection of the lives and property of Japanese subjects against the activities of bandits and lawless elements rampant in various parts of Manchuria. Such action is admittedly an exceptional measure called for by the special situation prevailing in Manchuria, and its necessity will naturally be obviated when normal conditions shall have been restored in that region.

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*Declaration made by the Chinese representative at the meeting of the Council of the League of Nations at Paris, December 10, 1931*

1. China reserves all rights to which it is entitled under the provisions of the covenant, under existing treaties to which China is a party and under the accepted principles of international law.

2. The present arrangement evidenced by the resolution and the statement made by the President is regarded by China as a practical measure embodying four essential and interdependent elements:

(A) Immediate cessation of hostilities.

(B) Liquidation on the Japanese occupation of Manchuria within the shortest possible time.

(C) Neutral observation and reporting upon all developments from now on.

(D) A comprehensive inquiry into the entire Manchurian situation on the spot by a commission appointed by the council.

The failure of any one of the stipulations of the agreement to materialize would mean the failure of the whole agreement.

3. China expects that the commission will make its first duty to inquire into and report with its recommendations on the withdrawal of the Japanese forces if such withdrawal has not been completed when the commission arrives on the ground.



4. China assumes that the said arrangement neither directly nor by implication affects the question of reparations due to China as a result of events in Manchuria.

5. China considers that the injunction to the parties not to aggravate the situation should not be violated under the pretext of the existence of lawlessness caused by the state of affairs in Manchuria.

The only sure way of restoring peace in Manchuria is to hasten the withdrawal of Japanese troops. China can not tolerate the occupation of her territory by foreign troops; far less can she permit these troops to usurp the police functions of the Chinese authorities.

6. China will from time to time, as occasion requires, indicate the localities to which it seems desirable to dispatch neutral observers.

7. It should be understood that in agreeing to this resolution, China in no way recedes from the position she has always taken with respect to the maintenance of military forces in the railway zone.

8. Chinese Government would regard any attempt by Japan to bring about complications of a political character affecting China's territorial or administrative integrity as an obvious violation of the undertaking to avoid any further aggravation of the situation.

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*Statement of Lord Cecil, the British representative on the council*

DECEMBER 10, 1931.

The council has heard the declaration of the Chinese and Japanese representatives on paragraph 2. There can be no doubt that the position in Manchuria is difficult and exceptional. It may well be that circumstances may arise there which will cause danger to Japanese lives and property from elements of the population out of control and if an emergency of that kind should arise it might become inevitable that Japanese forces in the neighborhood should take action against bandits and the like. But I welcome the recognition by the Japanese representative of the exceptional character of the situation and that the necessity of such exceptional action will come to an end as soon as normal conditions have been restored. In saying this I do not mean to suggest that the Japanese declaration weakens the obligation set out in paragraph 2 of the resolution to avoid any action which will lead to a recrudescence of fighting between the Chinese and Japanese troops or a further aggravation of the situation.

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*Statement by the Secretary of State*

DECEMBER 10, 1931.

The Government of the United States is gratified at the unanimous adoption by the Council of the League of Nations of the resolution of December 10. This represents a definite step of progress in a long and difficult negotiation which M. Briand and his associates have conducted with great patience.

The Council of the League of Nations was in session on September 18 when the present situation in Manchuria first developed. China at once appealed to the council under article 11 of the league covenant. The council took immediate cognizance of this appeal, and China and

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Japan participated in the discussions before it in accordance with their obligations as parties to the covenant. This Government has from the beginning endeavored to cooperate with and support these efforts of the council by representations through the diplomatic channels to both Japan and China. Not only are the American people interested in the same objective sought by the league of preventing a disastrous war and securing a peaceful solution of the Manchurian controversy, but as a fellow signatory with Japan and China in the Kellogg-Briand pact and in the so-called 9-power treaty of February 6, 1922, this Government has a direct interest in and obligation under the undertakings of those treaties.

The present resolution provides for the immediate cessation of hostilities. It reaffirms the solemn pledge of Japan to withdraw her troops within the railway zone as speedily as possible. It provides for the appointment of a commission of five members to study on the spot and report to the council on any circumstance which disturbs the peace or affects the good understandings between China and Japan. Such a provision for a neutral commission is in itself an important and constructive step towards an ultimate and fair solution of the intricate problem presented in Manchuria. It means the application with the consent of both China and Japan of modern and enlightened methods of conciliation to the solution of this problem. The principle which underlies it exists in many treaties of conciliation to which the United States is a party and which have played in recent years a prominent part in the constructive peace machinery of the world. The operation of such a commission gives time for the heat of controversy to subside and makes possible a careful study of the underlying problem.

The ultimate solution of the Manchurian problem must be worked out by some process of agreement between China and Japan themselves. This country is concerned that the methods employed in this settlement shall, in harmony with the obligations of the treaties to which we are parties, be made in a way which shall not endanger the peace of the world and that the result shall not be the result of military pressure. These are the essential principles for which the United States and the nations represented on the council have been striving and it is in itself a signal accomplishment that there has been arrayed behind these principles in a harmonious cooperation such a solid alignment of the nations of the world.

On the other hand the adoption of this resolution in no way constitutes an indorsement of any action hitherto taken in Manchuria. This Government, a sone of the signatories of the Kellogg-Briand pact and the nine-power treaty, can not disguise its concern over the events which have there transpired. The future efficacy of the resolution depends upon the good faith with which the pledge against renewed hostilities is carried out by both parties and the spirit in which its provisions directed toward an ultimate solution are availed of. The American Government will continue to follow with solicitous interest all developments in this situation in the light of the obligations involved in the treaties to which this country is a party.

The Japanese cabinet, headed by Premier Wakatsuki resigned on December 11, 1931.

On December 15, General Chiang Kai-shek, President of the National Government of the Republic of China, resigned from all his offices, and his resignation was followed shortly by the resignation of other of the principal officers of his government.

On or about December 22 information from official sources as well as from press reports indicated that the Japanese military forces were embarking on operations to the west of the South Manchurian Railway in the direction of Chinchow.

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*Communication from the Secretary of State read to the Japanese Minister of Foreign Affairs by the American ambassador and a copy delivered*

DECEMBER 24, 1931.

News dispatches and reports from a variety of official sources, are to the effect that responsible Japanese authorities are seriously contemplating action in connection with the continued presence of the regular Chinese military forces at and south of Chinchow in Manchuria, measures which, if followed through to their logical conclusion, would in all probability lead to renewal of armed hostilities. In the presence of these reports, I feel called upon, as a part of friendship, again frankly to convey to the Japanese Government expression of my apprehension.

On the basis of reports made by military observers of several nationalities on the spot, including our regular American military attachés, I find no repeat no evidence that the Chinese have engaged in or are preparing for any offensive military movement.

My position with regard to this matter has been made known to the Japanese Government both through the Japanese ambassador in Washington and through the American ambassador in Tokyo. The position of the council of the league with regard to the whole question of further hostilities in Manchuria, along with other matters, is definitely recorded in the resolution of the council of December 10, which resolution was approved by all members of the council, including the Chinese and Japanese representatives. The position of the American Government has been indicated by its express approval of the substance and the letter of that resolution. This approval was definitely recorded in my public statement of December 10. In that statement, after outlining and commenting upon the provisions of the resolution including provisions for cessation of hostilities, I said:

The future efficacy of the resolution depends upon the good faith with which the pledge against renewed hostilities is carried out by both parties and the spirit in which its provisions directed toward an ultimate solution are availed of.

CONDITIONS IN MANCHURIA

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*Reply of Japanese Minister of Foreign Affairs dated December 27, 1931,  
to communication from Secretary of State dated December 24, 1931*

The Foreign Minister of the Imperial Government has carefully read the memorandum from the Secretary of State of America which was submitted by the American ambassador in Japan under date of December 24, 1931.

The Imperial Government deeply appreciates the friendly concern the American Government has always had with regard to the present incident and at the same time has paid careful attention to the argument expressed in the statement of the Secretary of State on December 10.

According to the memorandum of the Secretary of State, judging from reports made by military officers in Manchuria, of America and three other countries, there is no evidence of any preparations on the part of the Chinese for attack. The Chinchow military authorities are keeping great military forces in general at Tahushan west of the Peiping-Mukden line and that vicinity, and are not only steadily making military preparations by despatching advance forces to different places along the right bank of the Liao River but are using mounted bandits and other insubordinate elements and are systematically disturbing peace, as is clearly known in the attached statement of the Imperial Government of December 27.

On December 10, when the council adopted a resolution, the Japanese delegate made a definite reservation that the Imperial Army will be obliged to start military operations against bandits and other insubordinate elements for the purpose of restoring peace and order. In the fear that in starting the above military operations on a large scale a collision will occur with the above-mentioned Chinese, complete subjugation has been refrained from for a time. Toward the close of November a proposal regarding the question of withdrawal from the vicinity of Chinchow being advanced by the Chinese side, conversations between Japan and China were conducted for about one month, but on account of insincerity on China's part the above-mentioned withdrawal has not been realized up to the present. Meanwhile the activities of groups of bandits instigated and employed by the Chinchow military authorities became so serious that there was finally created a situation that is feared might bring about a fundamental bankruptcy of general peace and order in south Manchuria. Thereupon the Imperial Army was recently obliged to move out simultaneously and begin the subjugation of bandit bands on a comparatively large scale. The fact that the Imperial Army did not take initiatory measures such as attack on the Chinese Army willingly in defiance of the resolutions adopted by the council on September 30 and December 10 is minutely mentioned in the statement of the Imperial Government above referred to.

The Imperial Government is determined to remain loyal to the League of Nations covenant, the no war treaty, other various treaties and the two resolutions adopted by the council regarding the present incident. In spite of the fact that the Japanese people are greatly irritated over the systematic disturbance of peace by the Chinchow military authorities, the Japanese Army restricted the freedom of subjugation of bandits for a period of one month. In the meanwhile the Government has endeavored by resorting to all possible diplomatic

measures to prevent beforehand a collision between the Japanese and Chinese armies that is likely to occur when subjugation is carried out. The Imperial Government trusts that the American Government will surely understand that this sincerity and forbearance are in accord with the spirit of faithfulness to obligations based on the above-mentioned treaties and the resolutions adopted by the council.

*Statement by the Japanese Government*

(Attached to preceding note of Japanese Government of December 27)

DECEMBER 27, 1931.

1. The maintenance of peace and order in Manchuria is a matter to which the Government of Japan have always attached the utmost importance. They have on various occasions taken every lawful step in order to secure it and prevent Manchuria from becoming a battlefield of militarists. Only if peace and order prevail can the country be safe either for Chinese or for foreigners. In the absence of peace and order it is futile to speak of the open door or of equal opportunity for economic activities of all nations. But the events of September last have, in spite of her wishes, created a new responsibility and a wider sphere of action for Japan. Attacked by Chinese violence her acts of necessary self-protection resulted, to her considerable embarrassment, in her having to assume the duty of maintaining public order and private rights throughout a wide area. The local authorities might have been expected to cooperate in upholding law and order. But in fact they almost unanimously fled or resigned. It was Japan's clear duty to render her steps of self-defense as little disturbing as possible to the peaceable inhabitants of the region. It would have been a breach of that duty to have left the population a prey to anarchy—deprived of all the apparatus of civilized life. Therefore, the Japanese military have at a considerable sacrifice expended much time and energy in securing the safety of persons and property in the districts where native authorities had become ineffective. This is a responsibility which was thrust upon them by events and one which they had as little desire to assume as to evade.

2. But, further than that, not only did the existing machinery of justice and civilized existence break down, but criminal activities of bandits who infest the country were naturally stimulated. The prestige and efficiency of Japanese troops were for some time sufficient to keep them in check and to maintain order wherever they were stationed. Since the beginning of November, however, a sudden increase in the activities of bandits has been noted in the vicinity of the South Manchuria Railway zone and especially to the west of the main line—and it has been established by examination of arrested individuals, by documents which have been seized, and from sources of information that their depredations are being carried on through systematic intrigues of the Chinchow military authorities.

Reports have indeed been made by certain of the foreign military observers suggesting that they found no evidence of any preparations being made by Chinese for attack. But as a matter of fact, the military authorities of Chinchow are maintaining large forces at

various points west of Takushan on the Peiping-Mukden Railway and in the adjacent territory. Reconnaissances conducted by the Japanese Army have not only definitely confirmed the assurance that these forces are engaged in making preparations for war but have also revealed the fact that their outposts are stationed along the line connecting Tienchuantai, Taian, Peichipao, and other points on the right bank of the river Liao well advanced from Chinchow. It will readily be admitted that such a situation in itself constitutes a constant menace to the Japanese contingents dispersed along the South Manchuria Railway and elsewhere but the danger is even greater than it seemed at first sight, if the further fact is taken into consideration that the Peiping-Mukden Railway places the cities of Mukden, Yinkao, and Hopei within the short journey of three or four hours from Takushan and Kuopantsu, which are the bases of the Chinese forces.

The bandit forces, which include a large number of officers and men discharged from the Chinese Army, are daily gaining strength. For instance, a number of bandits of the western flank of the main line of the South Manchuria Railway was estimated in early November at 1,300, whereas investigations conducted in early December revealed the fact that they then numbered over 30,000. Moreover, they are banded together in large groups comprising several hundreds, or even thousands, each equipped with machine guns and trench mortars; so that they can no longer be distinguished from the regular troops. This points unmistakably to the existence of a state of things in which so-called bandits are diverted and provided with arms by the Chinchow military authorities. According to statistics compiled by the Japanese Consulate General at Mukden, cases of bandit raids in the vicinity of the railway zone numbered 278 during the first 10 days of November, 341 during the second 10 days, 438 during the final 10 days of the month, and 472 during the first 10 days of December, thus reaching the astounding total of 1,529 in 40 days. It is the usual strategy of these bandit troops when attacked by our men to fly westward, or to take refuge on the right bank of the river Liao, where our army, anxious to avoid any collision with Chinese regulars, has made it a point to refrain from further pursuit.

3. On the 24th of November the Foreign Minister of China made an intimation to the ministers at Nanking of the principal powers to the effect that the Chinese Government, in order to avoid any collision between the Chinese and Japanese forces, were prepared to withdraw their troops to points within the Great Wall. Upon a proposal to that effect being officially made on the 26th, this government signified their readiness to accept it in principle at the same time instructing the Japanese Minister at Shanghai and the legation at Peiping to open conversations on the matter with the Chinese Foreign Minister and with Marshal Chang Hsueh-liang, respectively.

The Japanese Minister in China had several conferences accordingly with the Chinese Foreign Minister between the 30th of November and the 3d day of December. In the midst of these conversations, the latter withdrew overture and declined further negotiation. Marshal Chang Hsueh-liang, with whom our representative at Peiping carried on negotiations on the 4th of December onwards either directly or through the marshal's subordinates, expressed his willingness to call in his Chinchow forces as a spontaneous move of withdrawal;

and he has since given repeated assurances as to the speedy execution of his promise. In point of fact, however, there is no sign of any such withdrawal. On the contrary the defenses of Chinchow have since been strengthened.

4. Accordingly, at the present moment, now almost a month subsequent to the initiation of these negotiations for the withdrawal of the Chinchow troops, there appears no prospect of obtaining any tangible result, owing entirely to want of good faith on the Chinese side. At the same time the increased activity above described on the part of marauding bands threatens to bring about the complete destruction of all peace and security throughout the whole extent of south Manchuria. In these circumstances, the Japanese forces have now begun a general movement with a view to campaigning against the bandits on a more extensive scale than hitherto. It is obvious from what has been said above that the Japanese Army if it is to achieve anything like adequate success will have to advance to points west of the River Liao, where the bandits have their base. Certainly the Japanese forces, in deference to resolutions of the league council adopted the 30th day of September and the 10th day of December, are not in the field against regular Chinese forces; but in the present abnormal conditions prevailing in Manchuria, necessities of the case compel them to continue their operations against lawless elements. This is a point on which the representative of Japan, at the recent session of the council of the league, held on the 10th day of December, made definite declarations. So long as Chinchow military authorities, while simulating an unaggressive attitude, continue to instigate and manipulate movements of bandit organizations against the Japanese Army, as well as Japanese and other peaceable inhabitants, and so long as officers and men of the Chinchow Army mingle in large numbers with these bandit groups and so render it impossible to distinguish the latter from regular troops, so long must the responsibility for the consequences of any action which may be entailed upon the Japanese Army in self-defense rest entirely with the Chinese.

5. During the course of the past month, in spite of the indignation aroused throughout the country by the behavior of the Chinchow military authorities and in accordance with the constant desire of the Japanese Government to abide scrupulously by the resolutions of the league council, operations of the army against the bandits have been restrained within comparatively narrow limits and the government have done everything in their power to devise means for forestalling collision between the forces of the two countries in the course of an eventual antibandit campaign. The Japanese Government are confident that their prolonged forbearance and their desire strictly to adhere to stipulations of international engagements will not fail to command recognition by the public opinion of the world.

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The advance in force against the Chinese bandits, which the Japanese Foreign Minister in his communication of December 27 stated had already begun, proceeded in the area southwest of Mukden and in the direction of Chinchow. On December 29, however, Marshal Chang Hsueh-liang ordered his Manchurian troops to evacuate the Chinchow area and to withdraw south of the Great Wall of China.

, August 10, 1972

NARS, Date 12-18-75

CONDITIONS IN MANCHURIA

53

*Aide memoire*

(From the Chinese Legation to the Department of State under date December 31, 1931)

In spite of the provisions contained in paragraph II of the resolution unanimously adopted by the council of the league on December 10, 1931, with reference to Manchurian affairs requiring that the two parties undertake to adopt all measures necessary to avoid any further aggravation of the situation and refrain from any initiative which may lead to further fighting and loss of life, the Japanese Army on the pretext of suppressing bandits has now advanced westward of the Liao River and on December 24 occupied Tienchuangtai. Again on December 28 and 29 they seized successively the Tawa station and Walled City of Panshan. The Japanese troops have repeatedly attacked and pressed upon the Chinese Army with an evident intention of capturing Chinchow.

Such actions on the part of Japan have not only encroached upon China's territorial sovereignty, thus violating the principles of international law, the league covenant, the nine-power treaty and the Kellogg pact, but have utterly scorned the recent resolution of the league council.

The declaration of the Japanese Foreign Office on December 27 explaining that the movement of Japanese troops toward west of the Liao River was for protecting themselves against local bandits encouraged by the Chinese Army at Chinchow is entirely contrary to fact.

The Chinese Government has received a report to the effect that Japan again despatched on December 27 a mixed brigade from Korea to Manchuria. The enlargement of the Japanese forces in Manchuria and similar actions have aggravated the situation and would lead to further fighting and loss of life. Japan should be held responsible for whatever consequences that may unfortunately happen as a result of China's necessary measures for self-defense.

Aside from a protest duly lodged with the Japanese Government the Chinese Government wishes to call the attention of the United States Government to the above-mentioned facts and hopes that the United States Government will immediately take effective measures to prevent the aggravation of the present serious situation.

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On January 3, the Japanese troops marched into Chinchow, the Chinese troops theretofore occupying this area having moved on to the south of the Great Wall.

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*Identic note sent by the American Government to the Governments of China and Japan*

JANUARY 7, 1932.

With the recent military operations about Chinchow, the last remaining administrative authority of the Government of the Chinese Republic in South Manchuria, as it existed prior to September 18, 1931, has been destroyed. The American Government continues confident that the work of the neutral commission recently authorized

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3437b



by the Council of the League of Nations will facilitate an ultimate solution of the difficulties now existing between China and Japan. But in view of the present situation and of its own rights and obligations therein, the American Government deems it to be its duty to notify both the Government of the Chinese Republic and the Imperial Japanese Government that it can not admit the legality of any situation de facto nor does it intend to recognize any treaty or agreement entered into between those governments, or agents thereof, which may impair the treaty rights of the United States or its citizens in China, including those which relate to the sovereignty, the independence, or the territorial and administrative integrity of the Republic of China, or to the international policy relative to China, commonly known as the open-door policy; and that it does not intend to recognize any situation, treaty, or agreement which may be brought about by means contrary to the covenants and obligations of the pact of Paris of August 27, 1928, to which treaty both China and Japan, as well as the United States, are parties.

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*Note of the Chinese Government of January 12, 1932, in reply to the American Government's note of January 8, 1932*

The Department of State has received from the Chinese Legation in Washington the following text:

I have the honor to acknowledge the receipt of your excellency's note dated January 8, 1932, stating that.

"With the recent military operations about Chinchow the last remaining administrative authority of the Government of the Chinese Republic in South Manchuria, as it existed prior to September 18, 1931, has been destroyed. The American Government continues confident that the work of the neutral commission recently authorized by the Council of the League of Nations will facilitate an ultimate solution of the difficulties now existing between China and Japan. But in view of the present situation and of its own rights and obligations therein, the American Government deems it to be its duty to notify both the Imperial Japanese Government and the Government of the Chinese Republic that it can not admit the legality of any situation de facto nor does it intend to recognize any treaty or agreement entered into between those governments, or agents thereof, which may impair the treaty rights of the United States or its citizens in China, including those which relate to the sovereignty, the independence, or the territorial and administrative integrity of the Republic of China, or to the international policy relative to China, commonly known as the open-door policy; and that it does not intend to recognize any situation, treaty, or agreement which may be brought about by means contrary to the covenants and obligations of the pact of Paris of August 27, 1928, to which treaty both China and Japan, as well as the United States, are parties."

It is amply evident that the American Government takes the most serious view of the lawless acts of the Japanese military forces in the three eastern provinces and that it upholds also the dignity of the international covenants and of the pact against war. The Chinese Government from the time that the present events in the northeast began on September 18, 1931, and up to the present day, has in every respect fulfilled its duties as prescribed in the pact against war, and the Chinese Government therefore has taken no steps of any nature whatever calculated to aggravate the situation, but has, in accordance with the procedures set forth in the existing international covenants, asked that signatory powers direct their special attention to these events. The Japanese military forces, on the contrary, following the adoption of the resolution of the League of Nations on September 30, 1931, and the meeting of the council on October 24, 1931, have still continuously extended the field of their invasion, and even after the passing of the league's resolution on December 10, 1931, have openly invaded and seized

Chinchow, the seat of the Chinese local government. More recently Japan has occupied Suichung and advanced to Shanhaikwan, and has increased the numbers of the Japanese vessels and troops at Chinwangtao, Tientsin, and other places. In addition to this, there are indications of the intention to attack Jehol.

These violations of the covenant of the League of Nations, the nine-power treaty and the pact against war, and this disregard of the repeated decisions of the league are facts which it has not been possible to conceal. The Japanese Government therefore must bear full responsibility for all the events involved.

With reference to the notification of your excellency's Government that in this matter it does not recognize as legal any situation *de facto*, I have the honor to state that the Chinese Government has repeatedly lodged with the Japanese Government gravest protests against the various invasions and lawless acts perpetrated by the Japanese troops since September 18, 1931, and has made it known internationally that the Chinese Government accords them no recognition whatsoever.

With regard to the treaties or agreements referred to in the note under reply, I have the honor to state that the Chinese Government, basing its position on its sovereignty and independence and on the principle of territorial and administrative integrity, has absolutely no intention of concluding any treaties or agreements of the categories described.

It is the sincere hope of the Chinese Government that your excellency's Government will continue to promote the effectiveness of the international covenants in order that their dignity may be conserved.

I have the honor to bring the above to the attention of your excellency and express the hope that you will transmit it to your excellency's Government for its information and action.

EUGENE CHEN.

*Note of the Japanese Government of January 16, 1932, in reply to the American Government's note of January 8, 1932*

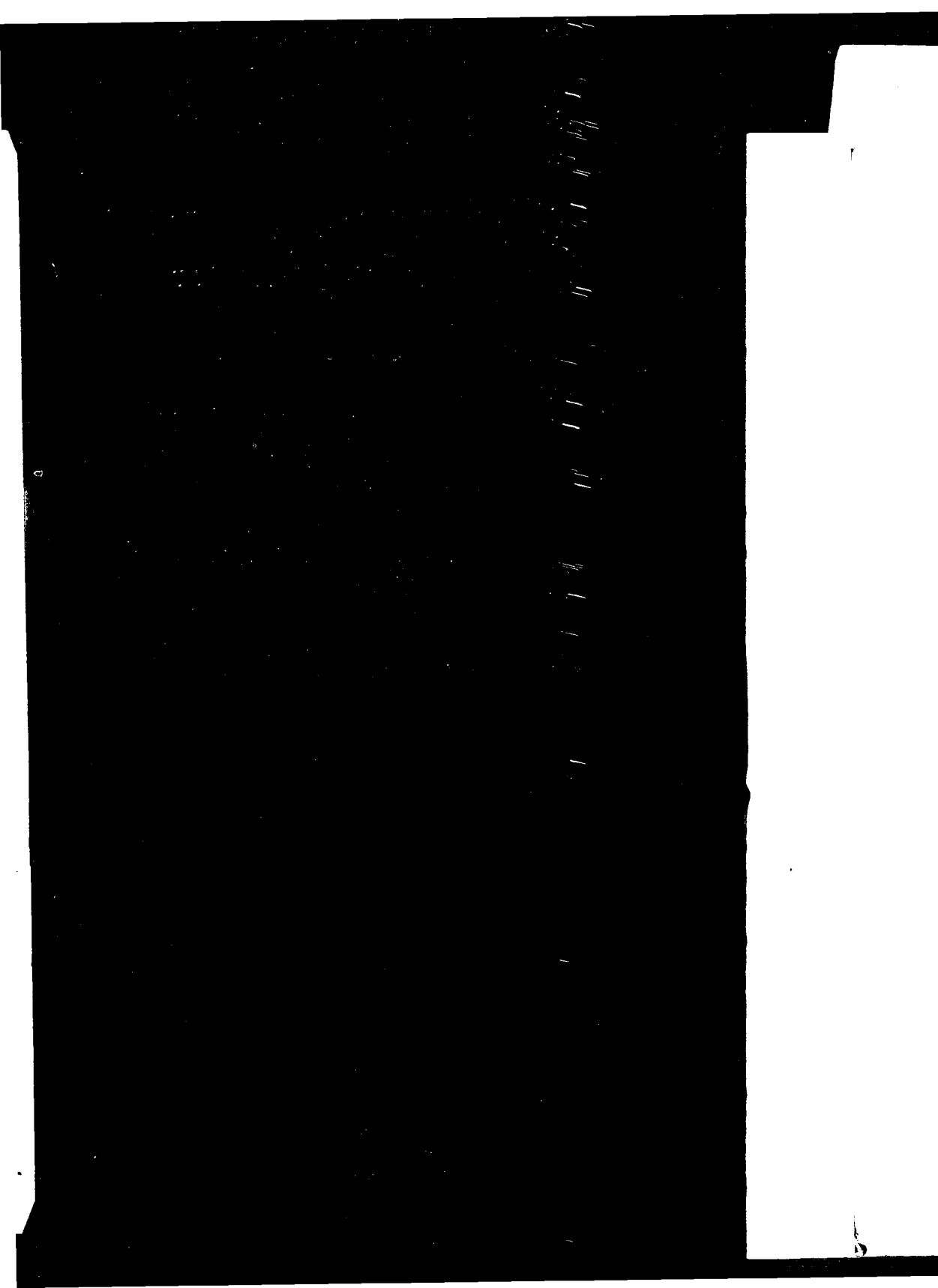
I have the honor to acknowledge the receipt of your excellency's note dated the 8th January, which has had the most careful attention of this Government.

The Government of Japan was well aware that the Government of the United States could always be relied on to do everything in their power to support Japan's efforts to secure the full and complete fulfillment in every detail of the treaties of Washington and the Kellogg treaty for the outlawry of war. They are glad to receive this additional assurance of the fact.

As regards the question which your excellency specifically mentions of the policy of the so-called open door, the Japanese Government, as has so often been stated, regard that policy as a cardinal feature of the politics of the Far East, and only regrets that its effectiveness is so seriously diminished by the unsettled conditions which prevail throughout China. In so far as they can secure it, the policy of the open door will always be maintained in Manchuria, as in China proper.

They take note of the statement by the Government of the United States that the latter can not admit the legality of matters which might impair the treaty rights of the United States or its citizens or which might be brought about by means contrary to the treaty of August 27, 1928. It might be the subject of an academic doubt, whether in a given case the impropriety of means necessarily and always avoids the ends secured, but as Japan has no intention of adopting improper means, that question does not practically arise.

It may be added that the treaties which relate to China must necessarily be applied with due regard to the state of affairs from time to time prevailing in that country, and that the present unsettled and



DECLASSIFIED: E.O. 11652, 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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CONDITIONS IN MANCHURIA

distracted state of China is not what was in the contemplation of the high contracting parties at the time of the treaty of Washington. It was certainly not satisfactory then; but it did not display that disunion and those antagonisms which it does to-day. This can not affect the binding character of the stipulations of treaties; but it may in material respects modify their application, since they must necessarily be applied with reference to the state of facts as they exist.

My Government desires further to point out that any replacement which has occurred in the personnel of the administration of Manchuria has been the necessary act of the local population. Even in cases of hostile occupation—which this was not—it is customary for the local officials to remain in the exercise of their functions. In the present case they for the most part fled or resigned; it was their own behavior which was calculated to destroy the working of the apparatus of government. The Japanese Government can not think that the Chinese people, unlike all others, are destitute of the power of self-determination and of organizing themselves in order to secure civilized conditions when deserted by the existing officials.

While it need not be repeated that Japan entertains in Manchuria no territorial aims or ambitions, yet, as your excellency knows, the welfare and safety of Manchuria and its accessibility for general trade are matters of the deepest interest and of quite extraordinary importance to the Japanese people. That the American Government are always alive to the exigencies of Far Eastern questions has already been made evident on more than one occasion. At the present juncture, when the very existence of our national policy is involved, it is agreeable to be assured that the American Government are devoting in a friendly spirit such sedulous care to the correct appreciation of the situation.

I shall be obliged if your excellency will transmit this communication to your Government, and I avail myself, and so forth.

○

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

January 29, 1932.

JANUARY 29 1932.

CR:

Please send the attached instruction to Geneva by the fastest possible means.

d.

*M.M.H.*

MMH/REK

State transmits herewith for  
Consul three copies of Senate  
titled "Conditions in Manchuria -  
resident of the United States Trans-  
to Senate Resolution No. 87, a  
Report by the Secretary of State Relative to the  
Existing Conditions in Manchuria".

Additional copies of this document are being  
transmitted by separate cover.

The Consul may at his discretion transmit copies  
of this document informally to the Secretary-General  
of the League.

Enclosures:  
Three copies of Senate  
Document No. 55.

A true copy of  
the signed orig-  
inal. *mm*

*Willy*

*Sec CR*  
JAN. 29. 1932

*M.M.H.*  
FE:MMH:REK  
1/29/32

*RAM*  
FE

*M.M.H.*

*M.M.H.*

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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

uc  
Divides

January 29 1932.

To the American Consul,  
Geneva, Switzerland.

The Secretary of State transmits herewith for the information of the Consul three copies of Senate Document No. 55 entitled "Conditions in Manchuria - Message from the President of the United States Transmitting in Response to Senate Resolution No. 87, a Report by the Secretary of State Relative to the Existing Conditions in Manchuria".

Additional copies of this document are being transmitted by separate cover.

The Consul may at his discretion transmit copies of this document informally to the Secretary-General of the League.

Enclosures:  
Three copies of Senate Document No. 55.

A true copy of  
the signed original.  
*mm*

*WLC*  
*WLC*

*See*  
JAN. 29, 1932

*mm*  
FE:MMH:REK  
1/29/32

*mm*  
FE

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TELEGRAM RECEIVED

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

HS

GRAY

FROM

Shanghai via NR

Dated February 3, 1932

Rec'd 7:55 p.m.

Secretary of State

Washington

PRIORITY

February 3, 11 a.m.

Firing between Chinese and Japanese forces in

Chapei district continued sporadically throughout last night, the guns opening up in earnest about 9 o'clock this morning. Shells fell near Japanese headquarters at the end of Szechuan Road. Japanese field guns on municipal rifle range returned Chinese fire. Artillery duel accompanied by heavy rifle and machine gun fire. At 11 a.m. the Japanese cannonading ceased while squadron of Japanese airplanes reconnoitred Chinese gun positions.

According to last report this morning American Marines in American sector discovered Japanese civilians signaling Japanese planes, using direction panels. In other words Japanese planes were being directed from neutral settlement territory. Late this afternoon Japanese cotton mills in both American and British sectors were taken

F/LS 793.94/3927

FILED

FEB 10 1932

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HS

2-PRIORITY, From Shanghai, Feb. 3, 1932

taken over from the Japanese by American and British marines respectively. Several shells fell in International Settlement, one in French concession wounding a Chinese. This fire from the Japanese battery on the Chinese position continued until this evening when it was represented that the Japanese had moved to the west of the railroad.

Japanese announced about noon that three destroyers had been fired upon by the Woosung forts. Chinese military officials deny that Woosung forts had fired first; and insisted that fort commander had orders not to inaugurate hostilities. They were confident that if any hostilities were started they had been begun by the Japanese. It was reported later that Woosung forts were bombed by an airplane squadron. At 7 o'clock the Japanese Consul reported that Woosung forts had been totally destroyed.

Refugees continue to pour into the settlement. Fires either from ship or started by incendiaries continue. Yesterday a large valuable Chinese library was bombarded.

The Chinese bankers have decided to open the banks tomorrow; rice and other shops will also open.

Repeated to the Legation and Nanking for information.

KLP

CUNNINGHAM

FW



HS

GRAY

JFE

TELEGRAM RECEIVED

Shanghai via NR

Dated February 3, 1932

Rec'd 6:55 p.m.

FROM

Secretary of State

Washington

PRIORITY

February 3, 9 p.m.

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

Division of  
FAR EASTERN AFFAIRS  
FEB 4 1932  
Department of State  
X/S

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note  
892.1027

My telegram February 3, 2 a.m., transmitting pro-

test by Defense Committee. I, as Senior Consul, have just received a note from Chairman, Shanghai Municipal Council conveying Council's strongest support of Defense Committee's protest and asking that urgent representations be made to Japanese authorities. The Chairman's letter further states as follows:

"I would also direct your attention to the exceedingly grave situation which has arisen through the activities of Japanese armed forces and armed civilians in the northern and eastern areas of the Settlement, where their actions have resulted in the disruption of the public services and infused terror amongst the inhabitants. In particular I would refer to the fact that members of the municipal police and police watchmen have been forcibly deprived of their arms and ammunition and prevented from executing their duty; members of the fire brigade, whilst on duty

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FILED

FEB 10 1932

HS 2-from Shanghai, Feb. 3, 1932, 6:55 p.m.  
and in uniform, have been obstructed and assaulted; and  
the utmost difficulty has been experienced in the conduct  
of food and hospital services on account of the obstruction  
of Japanese naval and civilian patrols and pickets.

I have accordingly the honor to request you to  
make immediate representations to the Japanese authorities  
urging upon them the necessity of their desisting forth-  
with from interfering with the Council's functions and of  
their assisting in every way possible in the restoration  
to the Council's police and volunteer corps of the function  
of maintaining law and order in the areas affected."

Two. A Consular body meeting is called for Feb-  
ruary fourth. I assume that my instructions are sufficient  
to join my colleagues in making the representations re-  
quested.

Repeated to the Legation and Nanking for informa-  
tion.

FW

CUNNINGHAM

KLP

1398

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

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department  
OR

Charge to  
\$ 3928

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note  
2/9/102

TELEGRAM SENT

Department of State

Washington,

1-138  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

February 3, 1932

HP

American Consulate ~~FEB 3 32~~

Shanghai

" CONFIDENTIAL to Consul-General  
Your February 3, 9 p.m.

One. Department approves your joining your colleagues  
in making representations in the sense indicated.

Two. Department has already on basis of your February 3,  
2 a.m. and other data instructed Ambassador Tokyo to make  
a fourth set of representations on ~~this~~ subject. British  
Government had instructed British Ambassador Tokyo to make  
such representations and had suggested to French and Italian  
Governments they take similar action.

Three. Inform Nanking and Legation.

Stimson  
SKE

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FE: SKH

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

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

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

TELEGRAM RECEIVED

COPIES SENT TO  
OEBI AND M.I.D.  
HT

JS  
HSM

Gray

FROM SHANGHAI Via Naval Radio

Dated February 3, 1932

Recd 10:39 p.m.

Secretary of State,  
Washington, D.C.

February 3, 6 p.m.

Following is translation of letter from Mayor  
addressed to me as American Consul General, dated  
February 2nd, received February 3rd. Protest to Japanese  
Consul General referred to in penultimate sentence is  
published in local English language press this morning.

"It is a matter of record that I communicated with  
you on the subject of invasion of Chapei by the Japanese  
navy. Subsequently with a view to preservation of  
peace and avoidance of hostilities, your good self  
and the British Consul General invited the Chinese  
and Japanese authorities as well as the commanders  
of foreign defense forces to a conference at the  
residence of the British Consulate General on January  
31st when, after the commander of the British defense  
force suggested the ways and means of avoiding conflict  
between the opposing armies, it was agreed that the  
Japanese Consul General should ask the Japanese Govern-  
ment for instructions in three days; that, in the event  
of The Japanese Government being unable to accept the  
suggested

Division of  
FAR EASTERN AFFAIRS  
FEB 4 1932  
Department of State

EE

F/LS  
793.94/3929

793.94  
note  
892

FILED  
FEB 11 1932

-2-  
From Shanghai, Feb. 3,

suggested terms, this municipality should seek the instructions of my Government; and that, during the period when instructions are to be sought, neither party should attack the other. These are all on record which is open to inspection. Since that conference was held, however, the Japanese troops have repeatedly attacked defending forces by surprise. This state of affairs continued until 2:50 p.m. today when my office received suddenly a telephone message from the Japanese Consulate General informing me of the inability of the Japanese Government to accept the suggested terms as indicated above. This has caused me no little astonishment. Furthermore, the Japanese troops resumed offensive on the Chinese forces in Chapei even advancing before the Japanese Consulate General's notice was received by this municipality and they arbitrarily bombarded that area by the use of airplanes. Inasmuch as Japan has violated her pledge and resumed offensive regardless of the safety of the lives of the Chinese people and foreign residents within the municipality of Shanghai, it is the Government of Japan that shall undertake all responsibilities. Having lodged a memorandum with the Japanese Consul General, I have to bring the foregoing to your attention. It is trusted that you will take note accordingly

4

-2-  
From Shanghai, Feb. 3,

suggested terms, this municipality should seek the instructions of my Government; and that, during the period when instructions are to be sought, neither party should attack the other. These are all on record which is open to inspection. Since that conference was held, however, the Japanese troops have repeatedly attacked defending forces by surprise. This state of affairs continued until 2:50 p.m. today when my office received suddenly a telephone message from the Japanese Consulate General informing me of the inability of the Japanese Government to accept the suggested terms as indicated above. This has caused me no little astonishment. Furthermore, the Japanese troops resumed offensive on the Chinese forces in Chapel even advancing before the Japanese Consulate General's notice was received by this municipality and they arbitrarily bombarded that area by the use of airplanes. Inasmuch as Japan has violated her pledge and resumed offensive regardless of the safety of the lives of the Chinese people and foreign residents within the municipality of Shanghai, it is the Government of Japan that shall undertake all responsibilities. Having lodged a memorandum with the Japanese Consul General, I have to bring the foregoing to your attention. It is trusted that you will take note accordingly

4

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

-3-

From Shanghai, Feb 3

accordingly and uphold justice.

Signed Wu Te Chen, Major."

Repeated to the Legation and Nanking for information

CUNNINGHAM

JS

143

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

HS

GRAY

FVE  
EE

TELEGRAM RECEIVED Peiping via NR

Dated February 3, 1932

FROM

Rec'd 8:42 p.m.

Secretary of State

Washington

DIVISION OF  
EASTERN EUROPEAN AFFAIRS  
FEB 10 1932  
DEPARTMENT OF STATE

RECEIVED  
U.S. DEPT. OF STATE  
FEB 4 1932

Division of  
FAR EASTERN AFFAIRS  
FEB 4 1932  
Department of State

186, February 3, 1 p.m.

Legation's 171, February 1, 4 p.m.

Following from Harbin:

793.9  
note  
861.77C.8.  
893.102 Harbin

One. "February 2, noon. Night passed without any untoward incident. Ohashi has informed me that it has been announced in Mukden that Japanese forces will attack today but Ting's Chief of Staff informed me that he expects the attack tomorrow as the Japanese are still bringing up reinforcements".

F/LS  
793.94/3930

note  
861.77C.8.

Two. Soviet Consul General unofficially informed Lilliestrom that Japanese military had made it plain to him that their troops would advance west of Harbin using Chinese Eastern Railway rolling stock. Hansen is inclined to believe that the Japanese military are anxious to extend their activities to the Hingan Mountains, which they could fortify and use as a barrier against any possible future military action on the part of the Red army.

FEB 10 1932

For the Minister

KLP

PERKINS



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

HS

TELEGRAM RECEIVED GRAY #1

Peiping via NR

FROM

Dated February 3, 1932

Rec'd 8:58 p.m.

Secretary of State

Washington

189, February 3, 4 p.m.

Legation's 186, February 3, 1 p.m.

Following from Harbin:

"February 3, 10 a.m.

One. situation at and near Harbin unchanged.

Two. Yesterday Japanese military demanded from the railway board ten trains to be used in transporting Japanese troops from Anganghsi to Harbin. Soviet side agreed but Chinese side refused despite open threats of Japanese military. Traffic on western line has been stopped presumably by Chinese military, leaving only eastern line open.

Three. General Li Tu is now Commander in Chief of all organized Kirin troops.

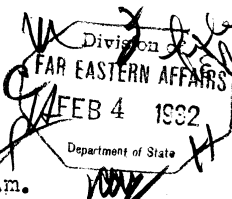
Four. Ohashi states that he has received a telegram from Honjo regretting that Japanese army has been so slow in reaching Harbin."

For the Minister

FW

PERKINS

KLP



F/LS 793.94/3931

FILED  
FEB 10 1932

793.94  
note  
894.102 Harbin

861.770.2.

DECLASSIFIED: E.O. 11652, 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

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

JS

FROM

GRAY

SHANGHAI

Dated February 4, 1932

Rec'd 7:00a.m.

Secretary of State,

Washington, D.C.

Priority

February 4, 5 p.m.

My telegram of February 3, 2 a.m. Colonel Hooker,  
Commanding Officer of Marines informed me by telephone  
at 3 p.m. that all Japanese Marines had left American  
sector by 10 o'clock this morning. He stated Japanese  
left British sector midnight February 3rd.

Repeated to the Legation, Nanking and Tokyo  
for information.

CUNNINGHAM

JS

F/LS 793.94/3932

FILED

FEB 10 1932

793.94  
note  
893.1025.

Division of  
FAR EASTERN AFFAIRS  
FEB 4 1932  
Department of State

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

FE

TELEGRAM RECEIVED

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

MAM

GRAY

FROM

HANKOW VIA NR

Dated February 3, 1932

Rec'd 8:51 p.m.

Secretary of State

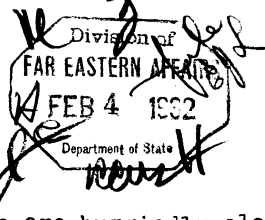
Washington

24, February 3, 8 p.m.

My No. 1, January 29, 6 p.m.

One. Japanese shopkeepers here are hurriedly closing their business saying that they have been instructed to stop all activities outside the Japanese concession. Some of them say that they are leaving Hankow. Japanese authorities continue to develop the defenses of their <sup>(concessions)</sup> ~~consulate~~. They have established several lines of defense within the concession and have barricaded the center of the busy thoroughfare paralleling the rear edge of their concession. The five naval vessels here have been cleared for action for several days.

Two. The temperament of the Chinese here is changing. There is no noisy agitation but while, prior to the shooting at Nanking, the whole aim of the responsible Chinese authorities and merchants was avoidance of friction with the



F/LS 793.94/3933

FILED

FEB 19 1932

793.94  
note  
893.102/Hankow

393.94

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

mam

2- #24, from Hankow, February 3,  
1932

the Japanese, the Chinese authorities are now making military preparations for a possible clash with the Japanese, and merchants are openly saying they desire to offer the best resistance possible to any Japanese military action here. The present situation may reasonably be <sup>described</sup> ~~as~~ tense.

ADAMS

KLP

FW

(\*) apparent omission

*file*

MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN  
SECRETARY STIMSON AND THE CHARGE, RAY ATHERTON, THURSDAY,  
FEBRUARY 4, 1932, AT 4:35 P.M. *at London*

SECRETARY: Hello, Mr. Atherton.

MR. ATHERTON: I received your telegram today which gives  
an estimate of the situation and which I was <sup>to</sup> read to the  
Foreign Minister. I read it to him over the telephone this  
evening and he made a new fifth point which I thought I  
might call you up and tell you of and then he wanted me to  
say that after I gave you these five points if you wanted to  
call him back you could reach him at 8877 Park because he  
goes to Geneva tomorrow in the middle of the day and as it  
is on the eve of his departure he will consider the necessary  
instructions being issued tomorrow before he goes to Geneva.  
Secondly, he said that they had very precise information  
on how touchy the Japanese Government was on pressure being  
brought to bear and he told me that was another reason for  
an absolute Anglo-American unity and whether it would not be  
wise to omit Manchuria from any forthcoming representation  
to Tokyo and of the Shanghai area  
and China proper. The fourth one was that he thought <sup>the</sup> Anglo-  
American Governments might find it well for them to point  
out to Japan that outside intercession might be very  
valuable to the Japanese to have the Chinese boycott removed.  
He thought that Japan could make the approach itself. He  
said he hoped very much to get in touch with you while he  
was in Geneva.

SECRETARY: Has he any further information of troop move-  
ments?

MR. ATHERTON: He has nothing beyond what I gave you.

SECRETARY: No information of movements of infantry?

MR. ATHERTON: He didn't say that this evening over the  
telephone.

793.94/3933 1/2

Confidential File

- 2 -

SECRETARY: We have various lines of information which indicate that the Japanese are very possibly moving a division over there and there is a flash from the press that they have landed four thousand men but where, we do not know.

MR. ATHERTON: Will you talk with Sir John over the telephone this evening or not, Sir?

SECRETARY: I think perhaps you can give him all that I know. We think that it is quite possible that the Japanese are moving a division to drive off these troops in the neighborhood of Shanghai. As I say, the indications are that a portion of that may be already landed. It is possible that they may have landed at the Woosung Forts where they were bombarding yesterday. We rather think that is possible. In that case, if they have <sup>done</sup> it, which would be a simple military movement for them to execute, it would be to move up the Railroad toward Shanghai taking the Chinese force on the flank and either driving them off or into the Settlement. You see?

MR. ATHERTON: Yes, Sir.

SECRETARY: It is quite a serious situation. On the other hand there may be still further, though we don't know this at all, even larger movements in progress. It is not impossible that there may be still larger movements still in progress. We don't know that but we have some stories that indicate that may be so, but there is a good deal of evidence about at least twelve thousand infantry being on their way. Yoshizawa said that yesterday in his conference with the three Ambassadors. He did not say that they were on the way but said they would have to move them, and I think they were already on the way. You see?

MR. ATHERTON: Yes, Sir.

- 3 -

SECRETARY: I think you better call Sir John up yourself and give him this information.

MR. ATHERTON: Yes, Sir.

SECRETARY: Of course, Yoshizawa said that this was done simply to protect their situation in Shanghai and it is not at all unnatural for them to do that because they were in a difficult position and this would be the surest way out of it from a military standpoint. I have no knowledge of what more they may be doing but I should like to have that go to Sir John and if he has any reaction he can call me up.

MR. ATHERTON: I see, you have the idea.

SECRETARY: Don't you see I have nothing further to tell him than what I told you. Tell him I appreciate his three messages and his four points and that is all right.

Particularly, it is very important that we keep together step by step as he suggests and that I shall do that. I am very sorry he is going away; how long will he be gone?

MR. ATHERTON: He will be back as soon as he can because he is very much needed here.

SECRETARY: About what day?

MR. ATHERTON: He does not know, but he will be back as quickly as he can - as short a time as he consistently can.

SECRETARY: Tell him I wish he was not going until the day after tomorrow because something may turn up tomorrow. We have intimations that there may be rather large news tomorrow.

MR. ATHERTON: Very good, Sir.

SECRETARY: Can you get that to him. I have nothing definite on that last at all but it is just as well for him to know it.

MR. ATHERTON: I will convey that to him tonight.

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

- 4 -

SECRETARY: If he wants to call me I shall be available  
here or at home until 8:30 tonight our time.

MR. ATHERTON: Good-night, Sir.

SECRETARY: Good-night.



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

FE

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

FROM

cib

PLAIN

reipping via NR

Dated February 4, 1932

Recd 7 a.m.

Secretary of State  
Washington.

190, February 4, 12 noon.

Following from Reuter, Changchun February third:

Japanese troops are reported to have reached the  
outskirts of Harbin last evening, but the Commander  
decided to await daylight before entering the city.

For the Minister.

PERKINS.

JS

Division of  
FAR EASTERN AFFAIRS  
FEB 4 1932  
Department of State

F/LS / 793.94/3934

FEB 10 1932

FILED

793.94  
note  
893.102 Harbin  
893.0146

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ONI AND M.I.D.  
TELEGRAM RECEIVED

FT

cib

FROM

GRAY

Tokyo

Dated February 4, 1932

Recd 6:06 a.m.

Secretary of State  
Washington.

38, February 4, 2 p.m.

Only three editorials of importance have appeared in regard to the proposals of the powers for settlement of the Shanghai difficulty. One was in the NICHU NICHU yesterday and another today and one was in the Tokyo ASAHI this morning. The NICHU NICHU objects to entrusting the protection of Japanese to other countries and maintains that the United States and Great Britain encourage China to warlike actions. It does not understand Yoshizawa's request for diplomatic assistance. The ASAHI insists that Manchuria cannot be included in any settlement of the Shanghai situation. Other comment has been negligible.

Owing to the ban placed on news of military and naval movements not much reliable information is available. Editorial comment on the China situation is limited.

FORBES.

JS

WSB

F/LS 793.94/3935

FILED

FEB 10 1932

793.94

TELEGRAM RECEIVED

REP

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

GRAY

FROM

Shanghai via N. R.

Dated February 4, 1932

Rec'd 9:07 a. m.

Secretary of State,  
Washington.

February 4, 3 p. m.

My telegram of February 3, 9 p. m., transmitting  
letter from chairman Municipal Council. Consuls  
representing extraterritorial countries except Japanese  
met this morning to consider letter. There were  
efforts on the part of representatives of several of  
the smaller powers to present a protest but subsequently  
following letter was unanimously approved and despatched  
today to Japanese Consul General.

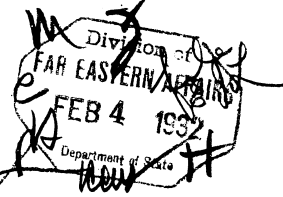
"I have the honor to transmit from the chairman of  
the Municipal Council a letter dated February 3rd, 1932,  
in which the Council gives its strongest support to  
the Defense Committee's protest which was received by  
you two days ago from certain consular officers. In  
addition to this the Municipal Council directs attention  
to the exceedingly grave situation which has arisen  
through the activities of Japanese armed forces and  
armed civilians in the northern and eastern areas of  
the Settlement

F/LS 793.94/3936

FILED

793.94  
note  
893.1028

793.94119



REF

2- from Shanghai, Feb. 4, 3 p. m.

the Settlement, where their actions have resulted in the disruption of the public services and infused terror amongst the inhabitants. The Council requests that representations be made to the Japanese authorities urging upon them the necessity of desisting from interfering with the Council's functions and of assisting in every way possible in the restoration of the functions of the Council's police and volunteer corps.

My interested colleagues desire to support the representations of the Council and to express the hope that you will make such representations to the proper Japanese authorities as are necessary to restore the municipal functions to the duly accredited municipal officials. It is not our understanding that a landing force is in any sense to interfere with the police and police watchmen but rather to strengthen them in their existing positions, and to give such protection to the recognized municipal officials as will enable them to function efficiently and effectively during the state of emergency. Signed Edwin S. Cunningham, American Consul General and Senior Consul."

Repeated to the Legation, Nanking and Tokyo for information.

CUNNINGHAM

WSB

DECLASSIFIED: E.O. 11652, 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

MET

PLAIN

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

FROM

Peking via N.R.

Dated February 4, 1932

Rec'd 8 a.m.

Secretary of State,

Washington

191, February 4, 1 p.m.

Following from Reuter, Shanghai, February third:

Chinese headquarters claim that the Woosung forts  
sank one Japanese destroyer during today's engagement,  
declaring that reports from the forts say that the  
vessel went down after several direct hits had been  
registered.

Chinese headquarters also claim that the Chinese  
are still holding the forts, having successfully resisted  
an attack by two cruisers and three destroyers. They  
state, however, that the forts have been considerably  
damaged and that Japanese shells caused eighty Chinese  
casualties at the forts. The Chinese are busily preparing  
for an expected further attack.

For the Minister,

WSB

PERKINS

F/LS 793.94/3937

FILED

FEB 10 1932

792.9f

FEE

MET

TELEGRAM RECEIVED

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

Peiping via N.A.

FROM Dated February 4, 1932

Rec'd 8:05 a.m.

Secretary of State,

Washington

192, February 4, 2 p.m.

Following from Reuter, Tokio, February third:

"Fearing that the knowledge of the fifth term of the three powers to China and Japan would excite national sentiment the Japanese Government appears embarrassed by the incoming press despatches giving publicity to the full details, though the Foreign Office had already communicated the latest of the terms to the press.

The Japanese reply to the proposals of the powers, which will probably be given today, is expected to accept the first four terms conditionally but flatly to reject the fifth term.

A reply is expected along the following lines:

The first term will be accepted provided the Chinese also cease violence. (END PART ONE)

For the Minister,

WSB

PERKINS

793.94  
note

893.1025  
793.94119

Division of  
FAR EASTERN AFFAIRS  
FEB 4 1932  
Department of State

F/LS 793.94/3938

FILED

FEB 10 1932

MET

TELEGRAM RECEIVED

PLAIN

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

Peiping via N.R.

FROM

Dated February 4, 1932

Rec'd 9:20 a.m.

Secretary of State,

Washington

192, February 4, 2 p.m. (PART TWO)

violence.

With regard to the second term, Japan is unable to agree to pledge herself to refrain from preparations unless convinced of Chinese sincerity on the point.

On the third point the reply will probably say that withdrawal of Japanese bluejackets from points where the Japanese civil population is dense is impossible unless the Chinese withdraw a safe distance.

In regard to the fourth term, Japan will agree to a neutral zone and possibly suggest a permanent agreement that there shall be no Chinese troops within a stipulated distance of the International Settlement, in a similar manner to the agreement at Tientsin under the Boxer Protocol.

On the fifth point, Japan will say that is impossible under any, (END PART TWO)

For the Minister,

WSB

PERKINS

DECLASSIFIED: E.O. 11652, 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

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

REP

FROM

PLAIN

Peiping via N. R.

Dated February 4, 1932

Rec'd 8:50 a. m.

Secretary of State,  
Washington.

192, February 4, 2 p. m. (PART THREE).

circumstances to agree on the participation of any  
third power in Sino-Japanese negotiations so far as  
Manchurian controversies are concerned.

Mr. Yoshizawa, the Foreign Minister, intimated that  
Japan is unable to accept the proposals of the powers in  
their present form, especially the fifth term, as  
Japan will never agree to outside intervention in  
negotiations between China and Japan for a settlement  
of the Manchurian controversies.

793.94119 Mr. Yoshizawa states that he would invite the British,  
French and Italian Ambassadors today to consider modified  
proposals.

(END OF MESSAGE).

FOR THE MINISTER

PERKINS

WSB



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

MET

TELEGRAM RECEIVED

Shanghai via N.R.

FROM

Dated February 4, 1932

Rec'd 9.35 a.m.

Secretary of State,

Washington

February 4, 6 p.m.

The following was received by me from the pastor of  
the Community Church:

"I want you to know that many of us will be humiliated  
if the amazing and deplorable actions of the Japanese mili-  
tary units in Shanghai are not met with a vigorous protest  
by our Government.

I am sure that this insanity does not express the  
thoughts and desires of the great majority of Japanese  
people and that a protest by the United States will find  
support in Japan as well as in all other civilized  
countries".

The foregoing is a typical inquiry of many Americans.  
In the same tenor numerous Chinese inquiries are received  
from individuals and organizations. These, in time, are  
likely to creat a sentiment against the United States.

May I

793.94  
note  
693.1025

Division of  
FAR EASTERN AFFAIRS  
FEB 4 1932  
Department of State  
1002

FILED  
793.94/3939

FILED

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

MET

2--from Shanghai via N.R.,  
February 4, 1932, 6 p.m.

May I say in reply to such inquiries that the American Government has filed a strong protest to Tokyo against the use of the Settlement as a base of activities conducted against the Chinese, including their deplorable action in the Settlement, which of course is more effective than local protests would be.

Repeated to the Legation and Nanking for information.

CUNNINGHAM

RR-WSH

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

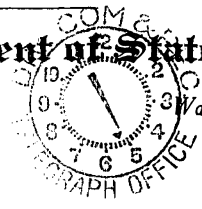
1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

TELEGRAM SENT

1-138  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Collect  
Charge Department  
OR

Department of State



*Via H 7/10*  
February 4, 1932.  
*7 pm*

Charge to

\$ While was sent Confidential Code.  
I be careful  
uncommunicated

*793.94/3939*  
*note*  
*8921025*

AMERICAN CONSUL,

FEB 4 32

SHANGHAI (China).

Your February 4/6 p. m.

You may reply to such inquiries that the American Government, as well as other Governments, has made representations to the Japanese Government in regard to the situation at Shanghai, with particular reference to the status of the International Settlement, and that the American Government is doing its utmost to the end that the Settlement shall not repeat not be involved in the dispute between China and Japan.

793.94/3939

*Stinson*

FE:MMH:REK:KC  
*MMH*

*RAM*  
FE  
*SKH*

*(DWB)*

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

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

FLE

**TELEGRAM RECEIVED**

**FROM**

Undated

9:30 a. m.  
Division of  
FAR EASTERN AFFAIRS  
FEB 4 1932  
Department of State

**F/LS 793.94/3940**

**FILED**

793.94  
 711.93  
 393.11  
 793.003

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

REP

2- from Foochow, Undated,  
Rec'd Feb. 4, 9:30 a. m.

them to continue in their oppression of the people;  
a result far from which would be contemplated by  
our Government.

Since Chinese officialdom is prone to interpret  
generosity as weakness, prominent local Americans  
acquainted with the writer feel that the American  
Government's sincere endeavor to assist China  
at this time will eventually lead to increased  
difficulty for this Consulate to protect legitimate  
American interests.

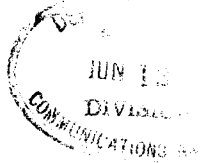
BURKE

WSB

CHINESE LEGATION  
WASHINGTON



Shanghai  
February 26, 1932.



Dear Dr. \_\_\_\_\_:

793.94  
I can vouch for the authenticity of an interview held today by an American with Mr. Y. Matsuoka at the Cathay Hotel, Shanghai. The latter came here from the Prime Minister of Japan to represent the Japanese point of view, and to prepare the ground for a settlement of the Shanghai-Japanese question.

Mr. Matsuoka's attitude is;

1. The Japanese army must complete its task of driving the Chinese forces 20 kilometers from Shanghai.
2. A settlement which will prevent the Chinese army from re-occupying this area.
3. Regarding the general situation he said; "One of our most serious issues in Japan at present is whether we shall throw in our lot with the status quo of the Far East, or set out to revise it. If the former, cooperation with America and Great Britain. If the latter, cooperation with Russia."
4. He said; "We have never liked the nine power treaty. We have always felt that it was forced upon us."
5. He said; "Manchuria is no longer a question, that is settled."
6. He said; "Japan was forced to choose whether she would allow herself to be forced out of Manchuria, or would go in. We went in. That settled it."

Let me observe that Mr. Matsuoka's attitude may play into the hands of the so called die-hard element of Europeans in Shanghai who desire a local extension of territory.

It is also instructive to notice the extent to which his admissions on larger issues confirm China's contentions regarding Japan's intentions, and run contrary to the oft repeated claims of his own fellow statesmen at Tokyo.

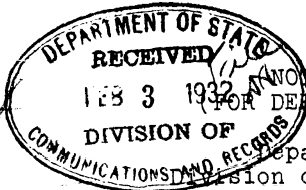
Faithfully yours,

F/H/S  
793.94/3940-1/2

JUN 12 1933

ALL RD

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



MEMORANDUM OF THE PRESS CONFERENCE, MONDAY, FEBRUARY 1, 1932

At the press conference this morning Secretary Stimson announced that he had a statement which the correspondents might quote as coming from the Department and also some background which he would give the correspondents on the situation, so far as the rather confused situation can be understood here.

FOR ATTRIBUTION TO THE DEPARTMENT, it was said, with reference to the movement of American ships and troops to Shanghai, these movements are solely for the protection of American lives and property and for fulfilling our responsibilities to American citizens at Shanghai and other exposed ports in the Yangtze and elsewhere in China.

FOR BACKGROUND, NOT FOR ATTRIBUTION TO THE DEPARTMENT, THE SECRETARY OR ANY OTHER GOVERNMENT OFFICIAL, the Secretary said, as is inevitable in every such situation, the reports which come of what has occurred are always confused and conflicting and it is difficult, therefore, for anyone to draw anything but tentative deductions therefrom. In general, the situation at Shanghai seemed to the Secretary to be this:-  
There are reports of renewed fighting, but so far as he was able to infer those were more in the nature of sniping and individual rifle fire rather than any organized fighting between organized bodies of the two contestants. The local authorities have been earnestly trying, with the aid of the consuls of the neutral powers there, to arrange a truce and to arrange it in a form which will protect the International Settlement from the really terrible consequences which would occur to a great city in case it were made the scene of an armed conflict between the large forces of China and of Japan, and they seem to have been making progress in that direction, but it has not yet been settled

F/LS  
793.94/3941

FEB 4 1932

FILED

-2-

whether they are successful. The forces which have been sent up there by this country and by the British have been to facilitate these efforts by the local authorities and the efforts that are being made by our consuls to protect the Settlement with all of the lives--our citizens and other foreigners--in it from this catastrophe that would be threatened in case it should be the base of an armed conflict between China and Japan. The Secretary said that was about all the general information he could give the correspondents. The matter is still trembling in the balance.

A correspondent enquired whether Japan had yet replied to our protest of Friday. The Secretary answered that he was not going to go any further into the individual negotiations. Things are happening too quickly and it is not a matter which can be helped by any further discussion. We are making every effort. Great Britain apparently is making every effort. Some of the other powers seem to be getting in too.

A correspondent enquired as to how cooperation between the forces at Shanghai and the local police would be arrived at. FOR BACKGROUND, the Secretary replied that the correspondent was going into details on which he had neither the detailed information nor familiarity with the situation to help the press. He added that he had seen there was a declaration of emergency by the municipal authorities, but what legal connection it had with martial law he did not intend to discuss.

A correspondent referred to a report from Shanghai that the Japanese Consul there had ordered all Japanese civilians evacuated from the city. The Secretary replied that that report had not yet been confirmed to him. A correspondent asked if a report had been received that all Hongkew international police stations had been closed and a ten o'clock curfew declared.

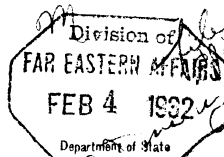


142  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

-3-

The Secretary replied that no such communication had been received, so far as he knew. A correspondent asked if the Secretary could say whether the General atmosphere of his correspondence was encouraging. The Secretary declined to discuss the matter further. He added that it was a very critical situation, we are doing our best, and it would not be well to speculate any more.

M. J. McDermott.



AIDE MEMOIRE.

On February 2nd His Majesty's Ambassador at Tokio was instructed by telegraph as follows:-

"His Majesty's Consul-General at Shanghai reports that a communication has been addressed to the Italian Chargé d'Affaires, the United States Consul-General and himself by the Officers Commanding the American, British and Italian forces, the British Senior Naval Officer, the Chairman of the Council, the Colonel of Volunteers and the Commissioner of Police. It contains a strong protest against the stationing in their sectors of Japanese detachments who commit acts of unnecessary barbarity towards the Chinese population. These acts include the murder of unarmed, unoffending civilians and they are arousing a dangerous feeling of hostility among the Chinese against the other Powers' troops properly responsible for those sectors.

You should immediately lodge a strong protest to the Japanese Government against the above-mentioned actions of their troops at Shanghai, which besides involving grave danger to all foreign interests in Shanghai are calculated to prevent the restoration of normal relations between China and Japan. You should urge the vital necessity of the actions of the Japanese military at Shanghai being kept under proper restraint."

It is hoped that the United States Government will make similar representations to the Japanese Government, and the French and Italian Governments are being invited to take similar action.

BRITISH EMBASSY,

WASHINGTON, D.C.,

February 3rd 1932.

F/LS

793.94/3942

FILED

FEB 9 1932

FEB 2 *noted*  
DEPARTMENT OF STATE *m.m.h. 12/12*

THE UNDER SECRETARY

JAN 30 1932

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

DEPARTMENT OF STATE  
RECORDED

FEB 4 1932

DIVISION OF

COMMUNICATIONS AND RECORDS

January 30, 1932.

Mr. Casper

Colonel Manton Davis telephoned from New York.

He said that the Pathe Sound News, through its affiliation with the Radio Corporation of America, was asking the Radio Corporation about a sound picture which it would like to make today or tomorrow or Monday having someone make a statement with regard to the situation in China, especially Shanghai.

They had asked General Harbord to do this but he was not going to do it.

Colonel Davis thought that possibly the State Department might like to take advantage of the opportunity afforded -- in case there was something that the Department would like to get before the public. He suggested a statement by the Secretary, the Under Secretary or an officer of the Far Eastern Division.

I told Colonel Davis that I had doubts, but that I would report the matter and would be prepared to let him know today what answer.

Please instruct me.

*W. W. H.*

FE:SKH/ZMF

F/LS 793.94/3943

FEB 4 1932

FILED

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

GEORGE HOLDEN TINKHAM  
11TH DISTRICT MASSACHUSETTS

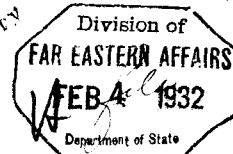
G. C. HAMELIN  
SECRETARY



WASHINGTON, D. C.

February 4, 1932

FEB - 4 32



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

Dear Sir:

I have seen it stated that existing treaties permit the use only of marines and navy personnel at Shanghai, that it is not within our treaty rights to use regular army troops.

For my information, will you kindly advise me what the facts are in this particular?

With appreciation of your courtesy, I remain

Sincerely yours,

*George Holden Tinkham*

GEORGE HOLDEN TINKHAM

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FEB 27 1932

FILED

F/LS 793.94/3944

793.94  
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893.1028  
124.9318  
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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 11 1932.

In reply refer to  
 FE 793.94/3944

The Honorable

George Holden Tinkham,

House of Representatives.

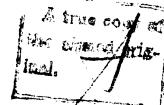
Sir:

I have your letter of February 1, 1932, in regard to  
 the use at Shanghai of American military forces.

In reply I may say that there is no provision in any  
 treaty between the United States and China which relates  
 specifically to the question of the use of any of the armed  
 forces of the United States at Shanghai, but the forces  
 which are there now and which have previously been sent to  
 that port were sent for the purpose of protecting the large  
 number of American citizens residing in the port from the  
 dangers incident to serious disorders beyond the control of  
 the local authorities. Such a use of the armed forces of a  
 government, without regard to the classification of the  
 forces used, is a right well recognized in international law  
 and does not need express treaty sanction.

Very truly yours,

HENRY L. STIMSON



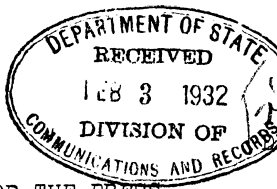
Feb. 10 1932  
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 2/8/32

*[Handwritten signature]*  
 FE 793.94/3944

793.94/3944

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



FOR THE PRESS

FEBRUARY 2, 1932

On January 23 the Chinese Minister for Foreign Affairs in Nanking appealed to the United States through our Consul General in Nanking to take immediate friendly measures to bring the hostilities in China to an immediate end.

On January 31 the Japanese Foreign Minister in Tokyo requested the United States to use its good offices to induce the Chinese troops not to bring up further reinforcements and to withdraw the Chinese troops now in Shanghai to a safe distance to avoid clashes. He stated that it was not the desire of the Japanese Government to send any further reinforcements or to send land troops. On February 1 the Japanese Ambassador in Washington called upon the Secretary of State and confirmed this request made in Tokyo for the good offices of this country in stopping further hostilities at Shanghai.

Accordingly, the American Ambassador at Tokyo and the American Consul General at Nanking have been instructed to submit to the Japanese Government and the Chinese Government, respectively, the following proposals as a basis for the cessation of the present hostilities between China and Japan:

- (1) Cessation of all acts of violence on both sides forthwith on the following terms.
- (2) No further mobilization or preparation whatever for further hostilities between the two nations.
- (3) Withdrawal of both Japanese and Chinese combatants from all points of mutual contact in the Shanghai area.
- (4) Protection of the International Settlement by the establishment of neutral zones to divide the combatants; these zones to be policed by neutrals; the arrangements to be set up by the Consular authorities.
- (5) Upon acceptance of these conditions prompt advances to be made in negotiations to settle all outstanding controversies between the two nations in the spirit of the Pact of Paris and the resolution of the League of Nations of December 9, without prior demand or reservation and with the aid of neutral observers or participants.

The American Ambassador at Tokyo was instructed to submit this proposal to the Japanese Government at Tokyo at six p.m. February 2, Tokyo time, and the American Consul General at Nanking was instructed to submit it simultaneously to the Chinese Government at Nanking at five p.m. February 2, Nanking time.

The representatives of the British Government in Tokyo and Nanking submitted identical proposals at the same time and it is understood that the French and Italian Governments have taken the same action.

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793.94/3945

FEB 4 1932

FILED

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

TELEGRAM RECEIVED

MET

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

Geneva

Dated February 4, 1932

Rec'd 9:40 a.m.

Secretary of State,

Washington

URGENT.

5, February 4, noon.

This morning Drummond handed me two memoranda of con-  
versations which he had on Wednesday night with M. Sato  
and Matsudaaira and the other with the Undersecretary General  
of the League. These are of such high importance that I  
asked his permission to cable them to you verbatim. Memo-  
/ randum number 1 follows: (END SECTION ONE)

WILSON

JHR-WSB

FE  
WE

793.94  
note  
500.0112

Division of  
FAR EASTERN AFFAIRS  
FEB 4 1932  
Department of State

F/LS 793.94/3946

FILED  
FEB 10 1932

## TELEGRAM RECEIVED

REP

FROM

GRAY

GENEVA

Dated February 4, 1932

Rec'd 11:40 a. m.

Secretary of State,  
Washington.

5, February 4, noon. (SECTION TWO)

"M. Sato and M. Matsudaira came to see me this afternoon.

M. Sato told me that he had received a telegram from his Government saying that they could not accept the application of Article 15 to Manchuria. If that application were limited to Shanghai events the Japanese Government would not oppose it but they definitely refused to allow the Manchurian question to be considered under that Article.

I replied that I feared that the Japanese Government were under some misapprehension. This was not a question which lay within their competence to refuse or to accept. China had asked that the dispute as a whole should be submitted to the Council under Article 15. There was no option but for the Council to consider the dispute under this Article. It was not within the power of the Japanese Government to limit the question submitted by China under Article 15. I held the view that contrary to the thesis advanced by M. Sato the other day the Council



REP

2- #5, from Geneva, Feb.4, noon.  
(Section Two).

Council did not have to seize itself of the dispute under Article 15. It was already seized of the dispute under that Article by the Chinese submission and now would require either unanimity or majority of the Council to state that it did not intend to proceed with the consideration of the dispute under that Article.

M. Sato remarked that as the Manchurian question had been dealt with by the Council under Article 11 it could not deal with it simultaneously under Article 15.

I replied that I did not think that this was the case. The two Articles ran concurrently. Clearly if during the consideration of the dispute under Article 15 a danger of war occurred the Council was entirely competent to deal with that danger under Article 11, and indeed it was its duty so to do.

M. Sato remarked that apart from the Covenant there was the resolution of the jurists Committee (Corfu affair) which had studied questions relating to Article 15 and that Committee had said that the Council need not unless it so desired deal with a matter under Article 15.

I replied that I thought that this was not exactly how the situation stood. The first two paragraphs of Article 15 called for automatic action and it was only  
when the

REP

3- #5, from Geneva, Feb. 4, noon  
(Section Two).

when the statements were made by the two parties and brought to the knowledge of the Council that the Council could decide whether or not the dispute was of a character contemplated by Article 15, viz a dispute likely to lead to a rupture. But if the Japanese Government had really strong legal doubts on the various aspects of the case I would recommend to the Council that they

(END SECTION TWO).

WILSON

WSB

## TELEGRAM RECEIVED

REP

FROM

GRAY

Geneva

Dated February 4, 1932

Rec'd 11:30 a. m.

Secretary of State,  
Washington.

5, February 4, noon. (SECTION THREE).

should ask the court urgently for an advisory opinion on the points raised. This would not, of course, prevent the procedure under the first two paragraphs of Article No. 15 continuing. At the same time I felt that I ought to warn M. Sato that I was convinced that my interpretation of the Article was legally correct and that an opinion from the court could only go against the Japanese thesis. The position therefore should be carefully considered by the Japanese Government from that point of view.

M. Sato thenceforth said that the Chinese Government had also invoked Article 10. Surely as Article 10 referred to aggression ~~against~~ the territorial integrity and political independence of a member these were matters of such political importance that the votes of the two parties must be counted.

I replied

REP

2- #5, from Geneva, Feb.4, noon.  
(Section Three).

I replied that for the moment it seemed to me that Article 10 was not in question; but the line taken by M. Sato seemed to me to be somewhat contrary to common sense because even if a country violated the territorial or political integrity of another country its representative on the Council would never admit it and it would be intolerable if the vote of that country were allowed to stop action by the Council to preserve such integrity. At any rate it seemed to me for the moment that the question of Article 10 could be left on one side.

As M. Sato continued to state very strongly that his country would never agree to the Manchurian questions being treated with the help of any third party, I again emphasized the fact that the Council had no choice according to the terms of the Covenant but to deal with the dispute as submitted by the Chinese representative. Criticism in Japan should be directed not against the Council which was simply performing a treaty obligation but against the terms of the Covenant itself and against China for having invoked Article 15. M. Sato knew that the members of the Council had done their utmost to prevent this Article being invoked but China had ultimately decided that it was necessary and nobody could gainsay her right.

M. Sato

REF

3- #5, from Geneva, Feb. 4, noon,  
(Section Three)

M. Sato again emphasized the fact that public opinion in Japan was violently excited because they considered that the Council had accepted to treat the Manchurian questions under Article 15 in spite of Japan's protests.

I said that was greatly to be regretted; but I could not see that there was any other alternative. I heard that the Japanese Government was contemplating the very grave step of withdrawing from the League owing to this popular feeling. Nobody could be more sad if such a thing happened than myself; but really I would prefer such

(END SECTION THREE).

WILSON

WSB

REP

3- #5, from Geneva, Feb. 4, noon,  
(Section Three)

M. Sato again emphasized the fact that public opinion in Japan was violently excited because they considered that the Council had accepted to treat the Manchurian questions under Article 15 in spite of Japan's protests.

I said that was greatly to be regretted; but I could not see that there was any other alternative. I heard that the Japanese Government was contemplating the very grave step of withdrawing from the League owing to this popular feeling. Nobody could be more sad if such a thing happened than myself; but really I would prefer such

(END SECTION THREE).

WILSON

WSB

## TELEGRAM RECEIVED

REP

FROM

GRAY

GENEVA

Dated February 4, 1932

Rec'd 10:20 a. m.

Secretary of State,  
Washington.

5, February 4, noon. (SECTION FOUR)

withdrawal to the abandonment of the principles laid down in Article 15. To agree with the Japanese contention would be simply to destroy the effective value of the Covenant. I hoped at any rate that before any such step were taken the Japanese Government would consider very carefully the third paragraph of Article 1 that stated that a state could only withdraw after two years' notice provided it had fulfilled all its international obligations and obligations under the Covenant.

500.C001  
M. Sato answered that while it might be true that Japan was legally bound to remain a member of the League for two years it might well be that in practice she might retire and have nothing more to do with the League even if she had not fulfilled her international obligations.

I remarked that even so she would hardly be in a better position than she was in today. Article 17 made provision

REP

2- #5, from Geneva, Feb. 4,  
(Section Four)

provision for states not members of the League engaged  
in a dispute.

The conversation ended by my saying to M. Sato that  
I hoped that he would forgive me for having expressed  
my views very frankly but I thought that it was much  
wiser to explain the position as I saw it. M. Sato  
said that he was grateful for this frankness and he  
would certainly report what I had said and meanwhile  
he was going to talk to Lord Cecil on the same subject."

WILSON

WSB



## TELEGRAM RECEIVED

REP

FROM

GRAY

Geneva

Dated February 4, 1932

Rec'd 10:55 a. m.

Secretary of State,  
Washington.

5, February 4, noon, (SECTION FIVE).

Memorandum number 2 follows:

"M. Sugimura came to see me this afternoon and said that M. Vigier had made a very interesting suggestion to him with regard to the fifth point in the British-American proposals which is as follows:

Five. Upon the acceptance of these conditions prompt advances to be made in the negotiations to settle all outstanding controversies between the two nations in the spirit of the Pact of Paris and the resolution of the Council of the League of Nations of December 9 without prior demand or reservations and with the aid of neutral observers or participants."

M. Sugimura thought that the Japanese representatives here might suggest to Tokyo that this proposal might be accepted provided that the members of the Lytton Commission should be utilized as the neutral observers. This Commission had been appointed with the concurrence of the two

893.1028  
711.0012 Anti-War

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

REF

2- #5, from Geneva, Feb. 4, noon,  
Section Five,

of the two parties and was therefore in somewhat special position. He would base his arrangements on the fact that under the resolution of the 10th December the Council would in due course have dealt with all the questions at issue between the two Governments including Manchuria. It was certainly preferable that these questions should be dealt with in the Far East rather than at Geneva and he would therefore suggest that the negotiations should take place in the Far East with the members of the Lytton Commission as observers. But if this was acceptable it would be necessary for the Japanese Government to obtain something in return. Would the four powers concerned recommend to the Chinese Government that it should withdraw its submission of the dispute under Article 15? I said to him that I did not know whether this was possible; but if such a request were to be made by the Japanese Government it ought to be made, in my view, on the ground that the six months allowed under Article 12 for the Council's report under Article 15 were not in this particular case anything like sufficient considering the complexity and importance of the questions at issue. If the reason was confined to this practical ground I thought that it might be urged on the Chinese Government with  
some

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

REP

3- #5, from Geneva, Feb.4, noon.  
Section Five.

some chance of success. But, of course, I was not in a position to give any assurance or guarantee.

M. Sugimura was very pessimistic as to the situation but thought that perhaps this suggestion might afford a possible way out."

(END MESSAGE).

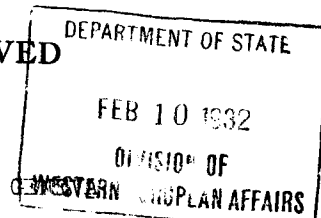
WILSON

WSB

TELEGRAM RECEIVED

REP

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



Dated February 4, 1932

Rec'd 11:48 a. m.

Secretary of State,

Washington.

6, February 4, 4 p. m.

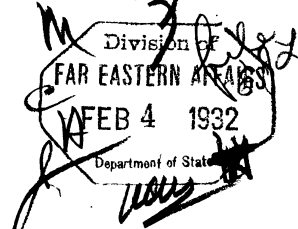
Supplementing my 5, February 4, noon, second paragraph.

Drummond informs me that Sugimura has been unable to persuade Japanese delegation to send the telegram to which Drummond refers in his memorandum of conversation. The opposition from the Japanese delegation was based mainly on the fact that it would be impossible to persuade Chinese to withdraw their submission of the case under Article 15.

Drummond informed Sugimura that he was very much disappointed as he thought the suggestion of great value and did not share the view expressed as to the impossibility of obtaining Chinese withdrawal under Article 15. Sugimura will again consult Japanese delegation.

WILSON

WSB



F/LS 793.94/3947

FEB 11 1932

FILED

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note  
500.2112

FE  
WE

TELEGRAM RECEIVED

MET

GRAY

FROM

Tokio

Dated February 4, 1932

Rec'd 1:09 p.m.

Secretary of State,

Washington

39, February 4, 10 a.m.

The Foreign Minister met the British, French Ambassador and myself at 6 o'clock this evening.

In regard to point number one, he said that the Japanese ~~forces~~ will cease hostile acts if it is assured the Chinese forces will immediately and completely stop their menacing and disturbing activities. If on the contrary the Chinese, including both the regular and plain clothes soldiers, persist in such activities the Japanese Government must reserve full freedom of action for its military forces.

In regard to number two, he said that in view of the unreliability of the Chinese in the past and of the gravity of the present situation the Japanese Government finds it impossible to renounce the mobilization or preparation for hostilities.

In regard to number 3, he said the Japanese Government  
has no



F/LS 793.94/3948

793.94  
note  
893.0146  
893.94  
793.94119  
793.94111

See  
793.94/4081

FEB 10 1932

793.94119  
MET

2-#39 from Tokio, February 4,  
10 a.m.

has no objection to their consular officers and commander of their forces entering into negotiations for an agreement concerning the separation of the respective forces and the establishment, if necessary, of a neutral zone in the district of Chapei. (Note: this also, it was explained later, was meant to answer number four).

In regard to number 5, he said that while it is to be presumed all outstanding controversies between Japanese and Chinese included the Manchurian question the Japanese Government regards this matter as entirely separate from the Shanghai affair and that moreover it is covered by the resolution of December 10 last and that furthermore it is a settled policy of the Japanese Government not to accept the assistance of neutral observers or participants in the settlement of questions concerning Manchuria. For these reasons the conditions in paragraph number 5 of the powers note are not acceptable to the Japanese Government.

The foregoing is substantially a translation of the note which he handed to me as a reply to that contained in Department's 34, February 1, 3 p.m. It was not accompanied by an English translation. The translation made in the

Embassy checks

MET

3-#39 from Tokio, February 4,  
10 a.m.

Embassy checks with it.

893.0146  
393.94  
Asked whether it was the intention of the Japanese Government to send land troops Mr. Yoshizawa replied that to meet the extreme seriousness of the situation in Shanghai the Japanese Government was preparing to send land troops; he said the seriousness of the situation was due to a little more than 2000 marines facing Chinese troops 10,000 in number and that in the neighborhood there were 20,000 and that even these are being reenforced. Moreover the marines are continually being menaced by plain clothes soldiers numbering nearly 3000; some of these manage to filter into the Settlement. He said the Japanese were in a precarious position. If all these land troops are sent it will number at least 12,000 in addition to the marines now there. These, the Foreign Minister said, were for the sole purpose of protecting their own nationals and property.

Commenting on the reply, it was pointed out to the Foreign Minister that it was most disappointing in tone; that he had not accepted one single point of the five. This seemed to surprise him a little. He seemed to think that his Government had accepted numbers three and four. It was pointed

793.94111  
MET

4-#39 from Tokio, February 4, 10am.

pointed out to him that their expressing no objection to their officers entering into negotiations was not an acceptance. And he was asked if we could read into these words "an acceptance in principle" of these points; to this he replied that we could and that it was intended in that sense. He was then asked whether they also accepted in principle the policing of the region by neutrals; and he said that would have to be left to be discussed locally: he preferred not to commit himself. It was pointed out to him that in the points we sent that the neutral zone was to be created between the Japanese and Chinese troops at all points in the Shanghai area, whereas in his so-called "acceptance" he limited it to the neighborhood of Chapei; his answer to that was that that was the only point at issue, but intimated that were contacts established at other points that it could be made to apply there. He did not make it clear why it was not so worded. The French Ambassador put the direct question: that if it were true, as reported, that the Chinese had accepted all of the five points, whether the Japanese still would despatch troops. Mr. Yoshizawa said they would

because



MET

5-#39 from Tokio, February 4,  
10 a.m.

893.0146  
because the condition of the Japanese marines and residents was deplorable and that they were getting constant telegrams demanding protection and help and felt that it was necessary that they should be sent: he said nothing would justify their not doing it. He reiterated that they were not being sent to make war on the Chinese army, but purely for protective reasons. He said that if the Chinese would not assume the offensive or indulge in any further activities of their troops and of their plain clothes soldiers, then his Government might reconsider sending as many men as now planned. But he repeated the fact that they felt the Chinese representations and promises could not be relied upon.

The British Ambassador then told him that the tone of the reply was distinctly disappointing. And I supported this by saying that I believed my Government would be grievously disappointed at the failure of the Japanese Government to respond more cordially to the suggested solution. The French Ambassador on behalf of his Government supported these expressions.

The Foreign Minister then said in view of the seriousness of the situation what else could he do? At which I

took

MET'

6-#39 from Tokio, February 4,  
10 a.m.

took him aside and told him that if he had accepted as we had been told the Chinese had done there would not be any serious situation. He repeated that he was unable to do that.

793.94119  
As a last word as we were leaving he requested us to inform our Governments that the Japanese Government was willing to consider any further suggestions which our Governments might desire to present. He practically asked for new suggestions, which seems the only hopeful note of the interview.

I took up the matter of your telegram 37 with Nagai, who advised me that the marines had been withdrawn this morning from all other sectors. He expressed great regret that any excesses or improprieties had been committed, stated he would look into the facts which he would ascertain immediately and see that appropriate action was taken.

I shall send later the gist of a conversation I had with one of my colleagues.

FORBES

WSB

TELEGRAM RECEIVED

MET

CORRECTED COPY

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

Tokyo via Shanghai

Dated February 4, 1932

Received 11:22 p.m.

Secretary of State,  
Washington.



39, February 4, 10 a.m. (SECTION TWO)

The British Ambassador has cautioned his Government  
that in his opinion the Japanese military, if a threat  
of economic boycott were made, might endeavor to forestall  
the movement which would spell their ruin by an attack  
on other Chinese ports including Hong Kong and he has  
urged them not to join in any such move until entire  
defensive arrangements are made. He thinks we should  
take similar action.

FORBES

(GRAY) Foregoing was received by mail  
February 10, 10 a.m., from  
Tokyo with request to forward  
to the Department.

FW

*Cunningham*  
793.94/3948

FEB 17 1932

793.94/3948

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

THE UNDER SECRETARY

FEB 5 1932

DEPARTMENT OF STATE



The Japanese

(Tokyo's No. 39, February 4, 10 a.m.)

793.94/3948

Japan agrees that Japanese forces will cease hostile acts if assured that the Chinese forces will do the same (Point 1).

Japan agrees "in principle" that their consular officers and the commander of their forces at Shanghai may negotiate for an agreement concerning the separation of the Chinese and Japanese forces and the establishment, if necessary, of a neutral zone (in the district of Chapei) (Points 3-4).

Japan finds it impossible to renounce the mobilization or preparation for hostilities (Point 2); and

Does not accept the inclusion of the Manchurian question with the Shanghai affair (Point 5).

While this reply, as remarked by Ambassador Forbes and the other Ambassadors in Tokyo, is distinctly disappointing, do not the points accepted "in principle" (Points 1, 3 and 4), which relate directly to the situation in Shanghai, offer sufficient basis for reaching an understanding concerning the Shanghai area, which at the moment is the most acute question we have to deal with, while holding the others (Points 2 and 5) in reserve for further discussion?

FE:RSM:EJL

793.94/3948  
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893.1025

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793.94/3948

1451

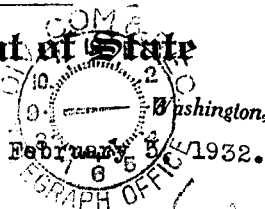
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

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Charge Department  
OR  
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Department of State



1-138  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

AMERICAN EMBASSY

FEB 5 32

TOKYO (JAPAN).

41 Your No. 39, February 4, 10 a.m.

Please telegraph promptly Embassy's translation  
of text of Japanese reply.

Stinson  
44

793.94/3948

Feb. 5, 1932. P.

RAM  
FE:RSM:EJL

FE

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

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 3, 1932.

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Conversation  
THE UNDER SECRETARY

FEB 4 1932

DEPARTMENT OF STATE

Senator Shipstead and  
Mr. Hornbeck.

RECEIVED

FEB 4 - 1932

SECRETARY'S OFFICE

Subject: The Manchuria and Shanghai Situations.

Senator Shipstead called and absorbed an hour of my time this afternoon.

The Senator said at the outset that he was going to make a speech and he wanted to ask some questions. He said that he did not want to say anything that would embarrass the Administration but that he had some strong feelings on the subject; he wanted to have the facts as far as possible. At an early stage in the conversation, he produced from his pocket a manuscript - which I assumed to be something that he had already written out on the subject. He spoke about documents; and I asked him whether he had the Senate document containing the correspondence which the Department had sent to the Senate. He said that he had that but that it had nothing in it about Shanghai. I said that I would get for him copies of all releases which have been made since January 15 - which I proceeded to do. During the course of the conversation, I got for the Senator copies of the Nine Power Treaty and the Kellogg-Briand Pact and showed him various books which contained material which would answer questions

F/LS 793.94/3949

FILED

- 2 -

questions which he put. Among these were MacMurray's TREATIES and Julian Arnold's COMMERCIAL HANDBOOK OF CHINA, H. B. Morse's books, etc. I thus avoided answering <sup>in detail</sup> various of the questions which were questions of opinion and some, such as the history of Shanghai, which would require a lengthy exposition.

The Senator referred repeatedly to what he felt was lack of cooperation on the part of other Powers, both with the League and with the American Government. He especially complained of the British. I undertook to tell him discreetly that, although the other Powers had not individually manifested outstanding concern with regard to developments in Manchuria, all of the major commercial Powers are showing great concern with regard to the situation at Shanghai and I said that, as he could deduce from the news of the past few days, the American, the British, the French and the Italian Governments are all working along the same lines to prevent untoward developments at Shanghai and to direct efforts toward peace.

The Senator expressed great appreciation of the trouble which I had taken in providing him with references and answering his questions.

*SKH*

SKH/REK

- 2 -

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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

DOCUMENT FILE

NOTE

SEE 393.115 Commercial Pacific FOR Tel. 8 p.m.  
Cable/1

FROM Shanghai (Cunningham) DATED Feb 4, 1932.  
TO NAME 1-1127

REGARDING:

Commercial Pacific Cable. The - was destroyed sometime  
this afternoon. The Eastern Extension Cable was simi-  
larly destroyed.

793.94/3950

MET

gray

Shanghai via N.R.

Dated February 4, 1932

Rec'd 12:50 p.m.

Secretary of State,

Washington

February 4, 8 p.m.

Secretary of Japanese Legation reported 4:20 that the Commercial Pacific Cable was destroyed some time this afternoon near Woosung. It is also learned that the Eastern Extension Cable was similarly destroyed. It is presumed both were destroyed under ground between Shanghai and the cable hut and by unknown persons, although opinion expressed that it was Chinese. He also stated that Admiral Ozawa would do his best to restore the cable and is willing to protect the repairmen at their task as soon as conditions permit this afternoon or tomorrow, provided Japanese marines were in charge of Woosung forts.

Repeated to the Legation, Nanking, for information.

GUNNINGHAM

KLP-HPD

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

## DOCUMENT FILE

### NOTE

SEE 393.11/1408 FOR Tel. # 30.2 pm

FROM Nanking ( Peek ) DATED Feb. 4, 1932.  
TO NAME 1-1127 070

REGARDING: Americans at Nanking who have left for Shanghai.

793.94/3951

hs

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6-#39 from Tokio, February 4,  
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*Cunningham*  
793.94/3948

FEB 17 1932

793.94/3948

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

THE UNDER SECRETARY

FEB 5 1932

DEPARTMENT OF STATE



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

1-138  
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TELEGRAM, SENECD

Department of State

Washington,  
February 5, 1932.

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 3, 1932.

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Conversation  
THE UNDER SECRETARY  
FEB 4 1932  
DEPARTMENT OF STATE

Senator Shipstead and  
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RECEIVED

FEB 4 - 1932

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F/LS 793.94/3949

FILED



- 2 -

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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

DOCUMENT FILE

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TO NAME 1-1127

REGARDING:

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Shanghai via N.R.

Dated February 4, 1932

Rec'd 12:50 p.m.

Secretary of State,

Washington

February 4, 8 p.m.

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GUNNINGHAM

KLP-HPD

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

## DOCUMENT FILE

### NOTE

SEE 393.11/1408 FOR Tel. # 30.2 pm

FROM Nanking ( Peek ) DATED Feb. 4, 1932.  
TO NAME 1-1127 070

REGARDING: Americans at Nanking who have left for Shanghai.

793.94/3951

hs

FE

MET

PLAIN

Nanking via N.R.

Dated February 4, 1932

Rec'd 10:15 a.m.

Secretary of State,

Washington

30, February 4, 2 p.m.

Your 17, undated.

Following Americans have left Nanking for Shanghai  
up to noon today:

393.11  
note  
793.94

Miss J. B. Taylor,

Mr. and Mrs. D. P. Weeks and three children,

Mr. and Mrs. W. F. Vaughn and one child,

Mrs. R. Jackson and one child,

Mrs. W. P. Goltman and two children,

Mrs. S. W. Glass and one child,

Mr. F. G. Williams,

Miss A. L. Galsick,

Miss E. F. McQuaig,

Miss E. C. Shaw,

and Miss R. S. Hall and two children.

Total twenty-three.

1468

WSB

PECK

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

## DOCUMENT FILE

### NOTE

SEE 841.00 P. R./215 FOR Despatch #2526

FROM Great Britain ( Atherton ) DATED Jan. 18, 1932  
TO NAME 1-1127 \*\*\*

REGARDING: Manchurian affair. Announcement issued by Foreign Office  
on January 15th concerning result of conversation between  
Sir John Simon and the Japanese Ambassador on January 8th,  
relative to "Open Door Policy in China".

793.94/3952

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

**Manchurian Affair.**

To complete the reference in the preceding Weekly Report to the request made by the British Government that the Japanese Government confirm its declarations with respect to the maintenance of the "Open Door Policy" in China, the following announcement issued by the Foreign Office on the 15th instant is quoted:

"As a result of the conversation between Sir John Simon and the

Japanese/



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

-17-

Japanese Ambassador on January 8th, in regard to the situation in Manchuria, the Japanese Ambassador called at the Foreign Office yesterday (Thursday) and conveyed from his Government express assurances in reference to Japan's disclaimer of territorial ambitions in Manchuria and of her intention to respect the principles of the open door and of the Nine-Power Treaty."

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

13761

## DOCUMENT FILE

### NOTE

SEE 793.94 Commission/56 FOR Tel. #34 lpm

~~FROM~~ TO: Geneva (                      ) DATED Feb. 1. 1932  
TO NAME 1-1127 cfo

~~RECORDING~~ Your instructions in 33, Jan. 30, 6pm, cover the  
answer to be made to Drummond's aide memoire.

793.94/3953

DECLASSIFIED: E.O. 11652, 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 17 1932.

No. 696

To the American Minister,  
 Peiping.

The Secretary of State transmits a copy of a letter (RJP) dated February 3, 1932, from the Bureau of Foreign and Domestic Commerce, enclosing the attached copy of a report dated December 30, 1931, addressed to the Bureau by Mr. C. E. Christopherson, Assistant Trade Commissioner in charge at Mukden, containing the results of his personal investigation of conditions existing at Harbin, which is reported to have been the subject of a request contained in a radiogram sent by the Legation to the American Commercial Attache at Shanghai.

793.94/3954

Enclosure:

From Bureau of Foreign  
 and Domestic Commerce,  
 February 3, 1932, with  
 enclosure.

793.94/3954

A-C/C *RG*

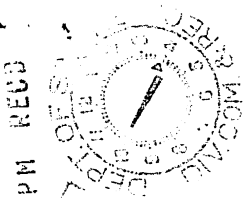
*RAM*  
*FE*  
*M.M.H.*



*CF*  
 Feb. 11 1932  
 Feb. 16 1932 P.M.

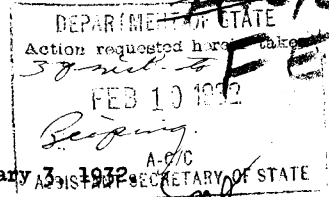
*JJ M Jr.*

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

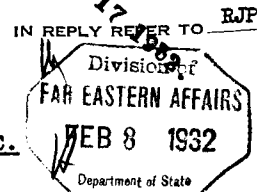
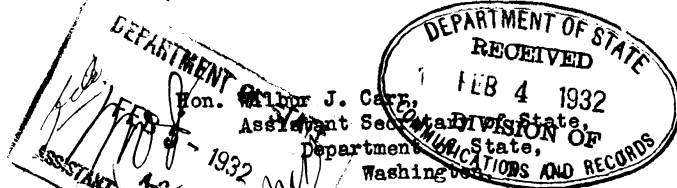


FEB - 3 32

DEPARTMENT OF COMMERCE  
BUREAU OF FOREIGN AND DOMESTIC COMMERCE  
WASHINGTON



February 3, 1932 A-C/C  
ASSISTANT SECRETARY OF STATE



Attention: A-C/C.

My dear Mr. Carr:

A radiogram has been received from Commercial Attaché Arnold, Shanghai, stating that the Legation had requested a copy of a confidential report dated December 30 from the office of the Trade Commissioner at Mukden, concerning conditions in Harbin. In accordance with this request I am attaching a copy of the report.

Very truly yours,

*Robert J. Phillips*  
Robert J. Phillips,  
Liaison Officer.

Inclosure: 12118

F/LS

793.94/3954

FEB 17 1932

FILED

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

FE

TELEGRAM RECEIVED

MAM

PLAIN

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

FROM

PEIPING

Dated February 4, 1932

Rec'd 8:22 p.m.

Secretary of State

Washington

195, February 4, 5 p.m.

Following from Reuter Shanghai February 4th

"Three hundred marines have landed from the United States cruiser HOUSTON.

The bombardment of the Woosung forts was still proceeding at eleven am. this morning. Japanese cruisers are participating as well as destroyers.

Private advices received here from Tokyo from what appear to be reliable sources report that a Japanese division is on the way to Shanghai. It is impossible to obtain confirmation of this from official Japanese sources"

For the Minister

PERKINS

OX

F/LS

793.94/3955

FILED

FEB 11 1932

793.94  
note  
893.1025  
893.0146

Division of  
Far Eastern Affairs  
FEB 5 1932  
J. K. K. C.

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

cib

TELEGRAM RECEIVED

GRAY  
Tokyo

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

Dated February 5, 1932

FROM

Recd 11:24 am

Secretary of State

Washington.

40, February 5, noon.

The TOKYO JI commented editorially this morning in a friendly tone on the proposals of the powers for the settlement of the Shanghai affair. It welcomes the mediation, at the same time expressing regret that the proposals cannot be accepted in their entirety because of Chinese disregard of pledges. It having approved further cooperation by the powers the TOKYO ASAHI again devotes its editorial chiefly to the reasons why the settlement of the Manchurian affair can not be included in that of the Shanghai difficulty. The editorial is mild in tenor. No other important editorials on this question appeared in the Tokyo press today.

The OSAKA ASAHI yesterday editorially expressed appreciation of the efforts of the powers stating that Japan is willing to accept proposals which do not impair her honor and dignity and which render protection to Japanese residents at Shanghai. It added that to be effective proposals must be based on facts and not on Chinese propaganda.

FORBES.

JS

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793.94/3956

FEB 11 1932

FILED

TELEGRAM RECEIVED

man

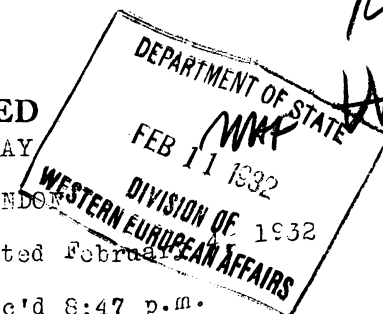
GRAY

LONDON

FROM

Dated February

Rec'd 8:47 p.m.



Secretary of State

Washington

49, February 4, 11 p.m.

FOR THE SECRETARY

Department's telegram No 54, February 4, noon.

After our telephone conversation tonight I transmitted your further message to Sir John Simon. He asked me to convey to you the three following points he now has under consideration.

One. That the English and American Governments should already be formulating their answer to the Japanese reply and would it not be well to leave Manchuria out of the field of the immediate discussions limiting them to the Shanghai area and Yangtze Valley.

Two. If Japan is unwilling to accept neutral observers under proposal five could not the "good offices" of the Commission already en route set up by the League with the approval of Japan and containing a British and American member be utilized.

Three. More especially since the American and English Governments appreciate Japan's position vis a vis the Chinese

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841.7393  
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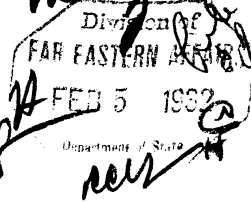
893.1028

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Commission

F/LS 793.94/3957

FILED

FEB 12 1932



man

2- #48, from London, February 4,  
1932

Chinese boycott could not the "good offices" of this  
League Commission in some way be employed as an inter-  
mediary between this economic menace to Japan which is  
at the same time China's greatest weapon of defense.

8417393  
Sir John said cable communication from Shanghai inter-  
rupted and he was largely dependent on Admiralty reports.  
Latest news received checked up with your advices on prob-  
ability of Japanese troop movements to Shanghai area while  
there were also vague intimations received that China  
was considering the abandonment of resistance in the  
Shanghai area.

ATHERTON

RR

OX



*file*

MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN  
THE UNDER SECRETARY, MR. CASTLE, AND THE AMERICAN CHARGÉ  
AT LONDON, MR. RAY ATHERTON, ON FRIDAY, FEBRUARY 5, 1932,  
AT 11:10 A.M. LONG WAVE CIRCUIT.

MR. ATHERTON: Hello, Bill, have you got a stenographer  
there who can take down part of what I say?

MR. CASTLE: Yes, all of it is being taken down.

MR. ATHERTON: The latest advice from the Military Attaché  
at Tokyo informed the Foreign Office that two mixed brigades  
of a total of some eight thousand troops may be expected to  
arrive at Woosung on Saturday, probably followed by one  
division of some fifteen thousand men early next week. I  
talked with Sir John before he left for Geneva this morning  
and he has prepared two telegrams of instructions to the  
British Ambassador at Tokyo which I am going to read to  
you. As soon as your approval to the plan set forth therein  
has been received, they will be despatched to the British  
Ambassador at Tokyo, and the British Ambassadors in Paris  
and Rome will be instructed to urge upon those Governments  
to take similar action; also Sir John will be there to  
discuss the matter fully with Tardieu and Grandi when he  
arrives at Geneva tomorrow morning, for not only does the  
British Government deem it important to take immediate  
action but they think it is almost equally important for  
the League at Geneva to take early action. The Foreign  
Office hopes that your instructions to Tokyo will coincide  
with the language of these telegrams of instruction. I  
shall read them slowly. The following is telegram "B":

"The British Government is naturally much  
disappointed with the Japanese reply, inasmuch as

the

793.94/3957 1/2

Confidential File

- 2 -

the Chinese for their part have unreservedly accepted all five points. We are particularly disappointed with the decision of the Japanese Government to send troops to Shanghai, which, unless every precaution, including the instituting of immediate negotiations, is used, will widen the conflict and intensify the danger already so manifest. As regards the first three paragraphs of the Japanese reply which refer to the difficult situation, you should inform them that the Chinese have accepted our proposal and should urge them to modify their attitude

You should therefore ask the Japanese Government to instruct their representatives on the spot to adopt the most moderate and conciliatory attitude, and in particular to make as little difficulty as possible in regard to the neutral zone.

"As to point five, the Japanese Government would seem to be under a misapprehension. It is not contemplated that the discussions thereunder provided for shall extend beyond the point of conflict at present, causing acute danger, and so intensibly, of international interest at Shanghai and in the Yangtze Valley. It is the considered view of the British Government that they are legitimately entitled to and must take part in any such negotiations, together with the other powers concerned.

"His

- 3 -

"His Majesty's Government have no desire to occasion either undue complications or undue delay in this matter, and they therefore take the view that the best means of international participation in such negotiations will be by taking advantage of the good offices of the League Commission of Inquiry now on its way. It will be borne in mind that the Commission was appointed with the consent of Japan and that its scope was, at the request of Japan and not to cover such areas as Shanghai on the ground that boycott activities should come within its purview. At such a meeting it is considered that these representatives will play a useful part in helping toward a solution of outstanding local difficulties and complaints."

MR. ATHERTON: That was telegram "B". Now I will read you telegram "A".

"You should also concurrently with the United States, French and Italian colleagues urge the following considerations upon the Japanese Government at the same time you make representations set forth in telegram (b). The Japanese Government claims, as we understand it, that one of the chief sources of friction and causes of conflict has been the anti-Japanese boycott. We are anxious to arrive by negotiations at the removal of this obstacle if it continues, together with any other that may be found to exist. We are unanimously of the opinion that this end can best and probably only be arrived at

- 4 -

at by participation of the League Commission who are impartial and are equally and demonstratively interested in the restoration of peaceful conditions at the earliest possible moment."

MR. ATHERTON: Bill, as soon as we get your reply, if you agree to send similar instructions to Tokyo we will send these off, so I will wait on the other end of the telephone to hear from you.

MR. CASTLE: Yes, you wait and as soon as the Secretary gets back from the Cabinet meeting, and by that time the notes will have been written up and he can consider them. Our feeling was that perhaps at the moment it was not wise to do anything. After he sees what the British want to send he may change his mind on that.

MR. ATHERTON: I think the feeling is that something ought to be done before this heavy troop movement.

MR. CASTLE: There is a heavy troop movement already under way.

MR. ATHERTON: It will arrive tomorrow morning.

MR. CASTLE: Yes. We will ring you up after the Secretary gets back and considers this.

MR. ATHERTON: Just one more thing. I have just received Mr. Mellon's agrément from the Foreign Office.

MR. CASTLE: I am glad because the President wants to send it up to the Senate today.

TELEGRAM RECEIVED

MET

PLAIN

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

FROM

Peiping via N.R.

Dated February 4, 1932

Rec'd 9:10 a.m. of  
FAR EASTERN AREA  
FEB 5 1932  
Department of State

Secretary of State,

Washington

193, February 4, 1 p.m.

Consul General at Shanghai approves sending following

to the Department:

Concerning the clash between Japanese and Chinese at  
Chapei, Shanghai, following statement was issued by the  
Japanese Consul General at Shanghai on January twenty-nine.

It is true that the Mayor of Greater Shanghai conceded  
late on January twenty-eight to all demands contained in my  
note of January twenty and we are anxiously watching for  
the development in view of various rumors and questionable  
ability of the local Chinese authorities to control the  
situation, particularly the undisciplined soldiers and  
dissatisfied elements. At four o'clock the Shanghai  
Municipal Council declared a state of emergency. Meanwhile  
the excited refugees, most of whom were Chinese,

(END PART ONE)

PERKINS

HPD

F/LS 793.94/3958

FILED  
FEB 11 1932

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## TELEGRAM RECEIVED

MET

PLAIN

FROM

Peiping via N.R.

Dated February 4, 1932

Rec'd 10:50 a.m.

Secretary of State,

~~Washington~~

193, February 4, 1 p.m. (PART TWO)

poured into the Settlement from all directions. The rumor of surreptitious entry of the plain clothes corps gained wide circulation to make the situation from bad to worse. All the Chinese constables fled from the Chapei district where about seven thousand Japanese reside. The excitement of the populace grew to fever point. As an emergency measure of protecting Japanese lives and property in Chapei a Japanese landing force was despatched in accordance with a previous agreement with authorities of the municipality and the British, American and other forces and in conformity with former precedents of similar cases.

(The territory in question is a strip of land in Chapei on the east side of the Shanghai-Woosung Railway which by the above named was assigned to the Japanese). (END PART TWO)

WSB.

PERKINS

## TELEGRAM RECEIVED

REP

PLAIN

FROM

Peiping via N. R.

Dated February 4, 1932

Rec'd 11:20 a. m.

Secretary of State,  
Washington.

193, February 4, 1 p. m. (PART THREE).

No sooner had the Japanese landing force appeared on the emergency duty near its headquarters than the Chinese soldiers in plain clothes attacked them with hand grenades in the neighborhood of the Shanghai-Woosung Railway. This attack served as a signal for the Chinese regulars to open fire on the Japanese force whereupon the latter was forced to return fire. At about the same time these disguised outlaws commenced shooting at the Japanese at random and in the area mentioned above. They have already claimed a number of Japanese lives in the same area.

I made it a special point to ask Mr. Yui, Secretary General of the Municipality of Greater Shanghai, to withdraw the Chinese troops from the section in question when I received the Mayor's reply yesterday to which he gave his ready assent and assured me that it would be done.

(END PART THREE).

PERKINS

KLP  
HPD

TELEGRAM RECEIVED

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PLAIN

FROM

PEIPING

Dated February 4, 1932

Rec'd 7:17 p.m.

Secretary of State

Washington

193, February 4, 1 p.m. (PART FOUR)

Had the Mayor been able to bring the military to coordinate speedily with him we might have averted the unfortunate incident. I am demanding again an immediate withdrawal in view of what took place. If the Chinese authorities are unable to stop the result and complete the withdrawal from that section I see no other alternative but to enforce it by force.

I should like to make it clear that this class is to be distinguished from the question contained in my note of January 20 which was solved for the time being at any rate. I would also like to point out that the Gill story about the Japanese attack on the Woosung fort is groundless.

(END PART FOUR)

OX

PERKINS



## TELEGRAM RECEIVED

M

PLAIN

FROM

PEIPING VIA NR.

Dated February 4, 1932

Rec'd 8:18pm.

Secretary of State

Washington.

193, February 4, 1pm. (PART FIVE)

This Chapei incident is entirely a matter of self defense in emergency and an effort to protect the Japanese life and property and indeed those of other nationals including Chinese themselves. I am hoping for a speedy cooperation of the Chinese side to avoid any further conflict or sacrifices and to that end to withdraw its troops."

END MESSAGE

FOR THE MINISTER

PERKINS

OX

DECLASSIFIED: E.O. 11652, 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

mam

GRAY

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

SHANGHAI VIA NR

Dated February 4, 1932

Rec'd 7:07 p.m.

FROM

Division of  
FAR EASTERN AFFAIRS  
FEB 5 1932

Secretary of State

Washington

4 p.m. February 4, 9 p.m.

With reference to this Consulate General's telegram  
February 3, 11 p.m., hereafter daily report will be made  
until further advised.

One. Woosung forts not silenced yesterday as reported  
by Japanese. Japanese Consul stated that bombardment had  
re-commenced noon today and he believed that it is Japanese  
Admiral's intention to occupy the forts. Japanese Consul  
General reports that he has had no further negotiations  
with the Chinese Mayor. The Harbormaster stated this morn-  
ing that he had issued no official notification to shipping  
but had advised shipping yesterday that they proceed to  
Woosung at their own risk. He stated port was not offi-  
cially closed. This morning Japanese Consul General in-  
formed this office that Japanese had issued no official  
advice or information to merchant shipping of other nations.  
During bombardment of Woosung forts some 50 shells landed  
on the installation plant of Texas Oil Company. One shell  
went through an empty tank belonging to Asiatic Petroleum  
Company.

F/LS

793.94/3959

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FEB 11 1932

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393.115-  
Just as  
393.115-  
Asiatic  
Petroleum Co.

2- from Shanghai, February 4, 1902

893.00 martial law  
893.801  
Company. The Mayor of Municipality of Greater Shanghai has informed this office officially that special martial law is in force from today, the fourth, and that no warships, merchant vessels, or other vessels should pass in or out of the harbor at Woosung between 5 p.m. and 7 a.m. daily.

Two. The artillery duel between Japanese forces and Chinese army has continued all day with more heavy gun fire than previously. Last night was fairly quiet with only short intervals of artillery, rifle and machine gun fire. It is reported that some 1400 troops of Nineteenth Route Army are moving up to Chapei.

Three. Within last 24 hours there have occurred four fires between main postoffice and (Range?) Road just west of North Szechuan Road. These were evidently of incendiary origin. The area from the Odson Theatre, which was deliberately set on fire by Japanese, west to railway is completely gutted. Municipal Fire Department states the Chief requested agreement of Japanese military commander three times before he would consent to allow fire department to check the south half of the Odeon fire which was menacing the (?) by Settlement lines. It appears to have been the definite purpose on the part of Japanese to burn. No definite information as to fires in Chinese sector can be obtained. So far no definite estimate as to total loss can  
b;

man

3- from Shanghai, February 4, 1932

be made. It has roughly been estimated that losses so far amount to Mexican dollars thirty million or more. From present fires in progress the loss will reach double this.

893.5042  
893.5016  
Four. Today the Chinese banks resumed business on a full scale. Rice shops, however, are conducting business (though?) through half closed during the day as a precaution against robbers. Approximate total of 162,000 workers out of employment. The general labor union, recently formed, has asked various local unions to organize a national Salvation Army forthwith. According to information available there are approximately 300,000 piculs of Chinese rice and 100,000 piculs of Saigon rice in Shanghai area. Present stock considered sufficient for two weeks. The rice merchants are attempting to fix maximum prices of Chinese rice at \$15 and Saigon rice at \$11. There are estimated to be 300,000 tons of coal in Settlement. Chinese refugees continue to pour into the city with their property and belongings.

Repeated to Nanking and Legation and Tokyo for information.

RR FW

CUNNINGHAM

✓

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

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

FE

MET

CORRECTED COPY  
 TELEGRAM RECEIVED

GRAY

Shanghai via N.R.

FROM

Dated February 4, 1932

Division of  
 FAR EASTERN AFFAIRS  
 FEB 7 1932  
 Department of State

Rec'd 7:07 p.m.

Secretary of State,

Washington

192.94/3959

4 p.m. February 4, 9 p.m.

With reference to this Consulate General's telegram  
 February 3, 11 <sup>A.M.</sup> ~~11~~ <sup>11</sup> ~~11~~, hereafter daily report will be made  
 until further advised.

One. Woosung forts not silenced yesterday as reported  
 by Japanese. Japanese Consul stated that bombardment had  
 re-commenced noon today and he believed that it is Japanese  
 Admiral's intention to occupy the forts. Japanese Consul  
 General reports that he has had no further negotiations  
 with the Chinese Mayor. The Harbormaster stated this morn-  
 ing that he had issued no official notification to shipping  
 but had advised shipping yesterday that they proceed to  
 Woosung at their own risk. He stated port was not offi-  
 cially closed. This morning Japanese Consul General in-  
 formed this office that Japanese had issued no official  
 advice or information to merchant shipping of other nations.

During

793.94/3959

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FEB 11 1932

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CORRECTED COPY

2-from Shanghai via N.R.,  
February 4, 9 p.m.

During bombardment of Woosung forts some 50 shells landed on the installation plant of Texas Oil Company. One shell went through an empty tank belonging to Asiatic Petroleum Company. The Mayor of Municipality of Greater Shanghai has informed this office officially that special martial law is in force from today, the fourth, and that no warships, merchant vessels, or other vessels should pass in or out of the harbor at Woosung between 5 p.m. and 7 a.m. daily.

Two. The artillery duel between Japanese forces and Chinese army has continued all day with more heavy gun fire than previously. Last night was fairly quiet with only short intervals of artillery, rifle and machine gun fire. It is reported that some 4,000 troops of Nineteenth Route Army are moving up to Chapei.

Three. Within last 24 hours there have occurred four fires between main postoffice and Range Road just west of North Szechuan Road. These were evidently of incendiary origin. The area from the Odeon Theatre, which was deliberately set on fire by Japanese, west to railway is completely gutted. Municipal Fire Department states the

Chief

MET

CORRECTED COPY 3--from Shanghai via N.R.,  
February 4, 9 p.m.

Chief requested the Japanese military commander three times before he would consent to allow fire department to check the south half of the Odeon fire which was menacing the nearby Settlement lines. It appears to have been the definite purpose on the part of Japanese to burn. No definite information as to fires in Chinese sector can be obtained. So far no definite estimate as to total loss can be made. It has roughly been estimated that losses so far amount to Mexican dollars thirty million or more. From present fires in progress the loss will reach double this.

Four. Today the Chinese banks resumed business on a full scale. Rice shops, however, are conducting business through half closed doors during the day as a precaution against robbers. Approximate total of 162,000 workers out of employment. The general labor union, recently formed, has asked various local unions to organize a national Salvation Army forthwith. According to information available there are approximately 300,000 piculs of Chinese rice and 100,000 piculs of Saigon rice in Shanghai area. Present stock considered sufficient for two months. The rice merchants are attempting to fix maximum prices of

Chinese

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

MET

CORRECTED COPY

4-from Shanghai via N.R.,  
February 4, 9 p.m.

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estimated to be 300,000 tons of coal in Settlement. Chin-  
ese refugees continue to pour into the city with their  
property and belongings.

Repeated to ~~Nank~~ing and Legation and Tokyo for infor-  
mation.

CUNNINGHAM

RR-JW



file

MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN  
SECRETARY STIMSON AND THE CHARGE AT LONDON, RAY ATHERTON,  
FRIDAY, FEBRUARY 5, 1932, AT 12:15 P.M. Long Wave Circuit.

MR. ATHERTON: Hello, Mr. Secretary.

SECRETARY: Is that you, Atherton. I was in Cabinet when you were talking this morning and was talking about this very matter. I have given consideration to the telegram that you sent last night giving the three points which had come from Sir John. My mind has been working on a rather different line of approach, but I agree with Sir John that there must be no divergence between us.

MR. ATHERTON: Yes, Sir.

SECRETARY: I think the best way is for each of us to present frankly to the other our views, because I don't think there is any immediate urgency at this moment. The principal thing which I think we must be very careful not to get into is any intrusion into the boycott question.

MR. ATHERTON: No intrusion into it.

SECRETARY: I think it would be a very serious mistake. What I mean is, as Sir John well states, that is China's age-long weapon against all aggressors and for four thousand years it has been so successful that no outside Government has ever permanently succeeded in affixing itself or settling itself upon China. One by one every one of them have been gotten rid of eventually by the Chinese vitality.

MR. ATHERTON: Yes, Sir.

SECRETARY: That is the thing, ~~that~~ I don't see how any argument or suggestion about it would get anywhere frankly except to get the outsider into trouble.

MR. ATHERTON: You don't agree to telegram (a)?

SECRETARY: I don't think that telegram (a) would get anywhere; it would get nowhere.

793.94/3959 1/2

Confidential File

- 2 -

MR. ATHERTON: Yes, Sir.

SECRETARY: As to the other matter, it is merely a matter of form really. What I mean is in respect to the fifth point about Manchuria, the objection of Japan inevitably ends for the time being at any rate any discussion of that because this was a matter of good offices and either party can veto any suggestion by the outsiders, but I prefer to let it stand. I would not make any statement or do any act which would indicate that we acquiesced with the idea put out by Japan that nothing in Manchuria was of interest or importance to anybody outside, so I should simply not discuss that or say anything about it to indicate any acquiescence in any way with the Japanese position. Now, the third point was in regard to the form which this should take with respect to possibly going on in the negotiations, do you see?

MR. ATHERTON: Yes, Sir.

SECRETARY: There is a very strong feeling here on the part of the President and all of his advisers against putting the American Government in the position of making further suggestions which are being rebuffed by the people who are over there - Japan and China - and I feel that way myself. I consented to go into this only because a request came from both China and Japan that we should do so and the request from Japan was not only once but twice. We then made a suggestion to them which was the best we could do, and which all the other powers agreed with, and Japan has refused it. I don't propose to be put in the undignified position of hanging on<sup>to</sup> the coat tails of anyone in putting forth conditions into a controversy which they may not want. That is the third objection I have to the program as it is

- 3 -

put out and that is one which is very strongly felt here.

Before I had received these two notes of Sir John, I had drafted one of my own covering these ideas. Have you someone to take it down?

MR. ATHERTON: May I repeat it after you?

SECRETARY: Here it goes. You understand it had not even been through the Department, it is just my own words without diplomatic language, but it gives the idea in which my mind was working. Now, will you get it?

MR. ATHERTON: If you read it to me, I will repeat it.

SECRETARY: All that I am saying to you this morning is subject to the preponderating proposition that I said first: that everything must be subordinated to the two Governments' working together, but before I leave you I am going to suggest that probably I shall call up Sir John tomorrow and talk to him in person, but I want you to get this into your hands so that you will have a copy so that you can use it either with Van Sittart or, if I can't get Sir John, with Sir John. You see?

MR. ATHERTON: Yes, Sir.

SECRETARY: "On the request of the Japanese and Chinese Governments for our good offices, the American Government suggested, in company with the British and French Governments, the steps which it believes would not only terminate the critical situation at Shanghai but would ultimately set in course of solution the unhappy controversies between China and Japan out of which this situation has directly grown. The essence of our suggestion lay in the proposal for an immediate cessation of hostilities on the part of both China and Japan and the avoidance

- 4 -

of further sacrifice of life. China has accepted this unconditionally. The American Government is grievously disappointed that Japan has declined, but it feels that it would be fruitless to attempt to suggest any modification of details when the essence of the proposition is rejected. Our good offices will always be available to China and Japan when sought. For the present the American forces at Shanghai, working in cooperation with those of the other powers similarly interested, will continue to devote themselves to the protection of the lives and property of the Americans and others who with them are in jeopardy in the International Settlement."

SECRETARY: Well now, that was the idea. I had to make it very brief and to cover those points.

MR. ATHERTON: Yes, Sir, that idea was to make a statement to that effect.

SECRETARY: To send this in the form of a memorandum to Japan, but also to make it public because of course the Japanese have made their note public.

MR. ATHERTON: Mr. Secretary, I shall inform Van Sittart that first, you feel the need for absolute Anglo-American unity and that you do not accept telegram (a) and that you are not disposed to accept telegram (b), but will put forth this statement which you are considering and will endeavor to suggest it to Sir John tomorrow at Geneva.

SECRETARY: I would put it this way; rather than to say I reject them, say the objections which I mentioned to you in the other draft.

MR. ATHERTON: The reasons you gave for rejecting number (a).

SECRETARY: Well, the three reasons that I gave you first

- 5 -

applied to the general situation which is covered by both telegrams (a) and (b).

MR. ATHERTON: In short, Mr. Secretary, you don't agree to either (a) or (b).

SECRETARY: As they stand, I am troubled by them both.

My idea is not to force an immediate decision on this but to see if I could get hold of Sir John tomorrow when he reaches Geneva. Do you know how long he will be in Paris?

MR. ATHERTON: Tomorrow morning he will leave there for Geneva.

SECRETARY: Does he not stop two or three hours in Paris?

MR. ATHERTON: As I understand, he is going directly to Geneva. I will telegraph tonight on that point and let you know.

SECRETARY: The main thing that I foresee a little trouble in is the difference between us on the method of whether we should let this thing rest right here for the present and devote ourselves to the International Settlement protection, leaving it up to them entirely to make any move, or whether we should hang on to this proposition. In view of the way we look at it here, I don't think that we could hold on to that proposition. The Japanese have turned down the essence of it; they have used the time, as Sir John in his draft points out, for reinforcing themselves for a new conflict. I don't think it is a very dignified thing, under those circumstances, to argue about Shanghai when they are kicking our main proposition around the block and I don't like to do it and that is the very strong feeling here.

MR. ATHERTON: Very good, Sir.

SECRETARY: If Sir John feels very strongly about that, I would rather make no answer myself and <sup>let</sup> him make what answer

- 6 -

he wants rather than to be inconsistent about it.

MR. ATHERTON: You would rather he went along without the United States.

SECRETARY: Yes, I will make a statement to the press and just remain silent so far as Japan is concerned.

MR. ATHERTON: If Sir John feels strongly, you prefer that the United States make no answer, but in that case would you issue a statement or not?

SECRETARY: Well that, I have not considered, but I should probably have to make some statement to the effect that we have been requested for good offices and it has not been accepted and that is all there is to it.

MR. ATHERTON: Very good, Sir, I shall telegraph you this evening.

SECRETARY: All right, but I want you, above all, to make absolutely clear that I am going to make every effort. I have only just received his papers and I have been at work on my own lines for some time and I am not going to allow myself to act on the spur of the moment. I am treating Sir John the way I would and have already treated him in private practice, when we didn't agree on the first point, but I feel pretty strongly about the dignified way of doing this and I don't think it is dignified to continue a discussion while Japan is acting in this way here. I think the strong point is that it would be very unwise to get into the boycott.

MR. ATHERTON: Yes, Sir, that is all very clear. Good-night Sir.

*FILE*

TELEGRAM RECEIVED

cib

A portion of this telegram  
must be closely paraphrased  
before being communicated ~~to~~ <sup>from</sup>  
to anyone.

Nanking

Dated February 4, 1932

Recd February 5, 12:55am

Secretary of State

Washington.

February 4, 5 p.m.

*W*  
Div. of  
EAST ASIAN AFFAIRS  
FEB 5 1932  
Department of State  
*W*

*FILE*

793.94/3960

The Japanese now have three cruisers and four  
destroyers lying in the river directly opposite Nanking,  
all cleared for action and with guns manned and trained  
on the city.

Confidential.

This force seems to me unnecessarily large if its  
mission is simply for the protection of known legitimate  
Japanese interests at Nanking especially as the Japanese  
colony was evacuated to ships in the river some time  
ago. Such naval display appears to be for no other  
purpose than to intimidate the Chinese Government. But  
the presence here of so many Japanese war vessels with  
obviously unfriendly intent also tends to provoke inci-  
dents, as the events of the night of February 1st and  
2nd clearly proved. The Chinese population is in a state  
of panic, business is at a standstill, banks are closed  
and the heads of the Government have left for Lo Yang.

So long

793.94  
*W*

893.0146  
894.3393

393.94

FILED  
FEB 11 1932

WP

- 2 - from Nanking

So long as the Japanese naval vessels remain the people will continue to feel terrorized and render the <sup>normal</sup> function-  
ing of administration impossible. Moreover Chinese troops in the vicinity hearing of events at Shanghai and Woosung and aroused as they are to a feeling of exasperation may at any moment commit some rash act and thereby precipitate Japanese retaliation with disastrous consequences to the city.

793.94119  
I feel that representations might therefore appropriately be made in Tokyo with a view to persuading the Japanese Government of the uselessness of keeping up this state of affairs by the continued presence of its warships at Nanking with threat implied by constant visible evidence of men at quarters and guns pointed. It seems to me one ship for observation purposes and protection of Japanese consular staff should be adequate. I have discussed the above facts with my French and British colleagues who agree with me that the situation should not be allowed to continue without some protest on our part and they are suggesting to their respective governments that representations be made as tactfully as possible to Tokyo with a view to having the Japanese consent



DECLASSIFIED: E.O. 11652, 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- from Nanking

consent to withdraw all but one of their present units here. We believe that such a move would help greatly to ameliorate the situation here and aid in creating an atmosphere favorable to negotiation.

Repeated to Peking and Tokyo.

JOHNSON.

JS

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

1-138  
PREPARING OFFICE  
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Collect  
Charge Department  
OR  
Charge to  
\$

Department of State

It should be noted that the information being communicated is being communicated to anyone.

Washington,  
February 5, 1932.

FEB 5 32

AMERICAN CONSUL

NANKING (CHINA).

793.94/3960

21

CONFIDENTIAL FOR THE MINISTER.

Your February 4, 1932, 5 p.m.

In view of Japanese Government's attitude toward peace proposals and apparent further preparation for hostilities and report now confirmed of despatch of large army contingents to an unknown destination in China, Department does not repeat not deem it advisable to make at this time special representations concerning disposal of Japanese naval forces at Nanking to which you refer. However, Department desires to be informed promptly of reaction of British and French Governments, when reported to you by your colleagues, to the suggestion.

793.94/3960

Shinson  
Wg

FE:SKH:AT

FE

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

FEB 5 1932

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

TELEGRAM RECEIVED PLAIN

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

cib

Peiping via NR

FROM

Dated February 5, 1932

Recd 7:35 a.m.

Secretary of State

Washington.

198, February 5, 3 p.m.

Following from Reuter, Tokyo, February fourth,

"The Japanese reply to the proposals of the four powers (America, Britain, France and Italy) accepts the third and fourth terms outright, the first term unconditionally and rejects the second and fifth terms.

The reply was handed to the Ambassadors of the powers concerned at six o'clock this evening.

With regards to the first demand that both sides shall cease hostilities, Japan appear to cease from hostile acts if the Chinese do likewise, otherwise Japan reserves full freedom of action.

On the second point (which proposed that there should be no further preparations for hostilities) it declares that Japan finds it impossible to renounce entirely mobilization or preparations for hostilities.  
Regarding

793.94  
note  
893.1228

Division of  
FAR EASTERN AFFAIRS  
FEB 5 1932  
Department of State

F/LS 793.94/3961

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FILMED

-2- # 198 from Peiping.

Regarding the third and fourth terms, which were that there should be a withdrawal of both Chinese and Japanese forces from all points of contact in the Shanghai area and that there should be protection of the International Settlement by a neutral zone policed by neutral forces under the foreign Consuls General, the reply says that the Japanese Government has no objection to the Japanese Consul General and the Japanese commander entering into negotiations for an agreement concerning the separation of the respective forces and the establishment of a neutral zone in the Chapei district if necessary.

The reply then goes on to say that the Japanese Government regards the Manchurian question as entirely separate from the Shanghai affair. It points out that the former is covered by the resolution of the League of Nations passed on December tenth and furthermore, it is the settled policy of the Japanese Government not to accept <sup>the</sup> assistance of neutral observers. Consequently the fifth term is unacceptable.

The Japanese Government has decided to send one army division to Shanghai.

For the Minister.

PERKINS.

WSB

WFE

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GRAY

FROM

Peiping via N.R.

Dated February 5, 1932

Rec'd 5:35 a.m.

Secretary of State,

Washington

197, February 5, 2 p.m.

Legation's 189, February 3, 4 p.m.

Following from American Consul General at Harbin:

"February 4, 4 p.m. Number 12.

One. Ting's chief of staff stated this afternoon that Japanese scouts have been seen within a few miles of Harbin and that he is confident that retreating Chinese troops can be prevented from entering the city.

Two. Chinese military are making preparations apparently to offer some resistance.

Three. Reports have been received stating that shooting is taking place near suburbs of Harbin. Three Japanese aeroplanes are now circling over the town and explosions have been heard indicating that they are dropping bombs presumably near Chinese troops".

For the Minister,  
PERKINS

WSB.

F/LS 793.94/3962

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FEB 11 1932

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893.102 Harbin

Div. of  
FAR EASTERN AFFAIRS  
FEB 5 1932  
Department of State  
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TELEGRAM RECEIVED

MET

GRAY

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

FROM

Shanghai

Dated February 5, 1932

Rec'd 6:45 a.m.

Secretary of State,  
Washington

February 5, 4 p.m., Number 2.

Following remarks were made to Josselyn February 5th  
by Jun Ke Choy, former Shanghai Commissioner of Finance  
and now liaison officer between Mayor's office and Brit-  
ish and American Consulates:

Choy stated that all Chinese commanders together with  
other thinking Chinese knew that present Shanghai conflict  
hopelessly one-sided and that Chinese had no chance what-  
ever to win; that in spite of this knowledge Chinese  
commanders were determined to resist (first) because a  
retreat would lower the morale of the whole country and  
(second) they were resisting in order that the powers  
might have time in which to mobilize world opinion and  
to bring neutral forces to Shanghai both of which he  
thought were factors favorable to China. He said that  
if Japan occupied Chapei she would not give it up and

with

F/LS 793.94/3963

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FEB 11 1932

793.94  
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

MET

Number 2.  
2-~~2~~from Shanghai, February 5,  
4 p.m.

with the Japanese in possession there the entire situation  
in Yangtze valley would be altered for the powers.

Repeated to the Legation, Nanking and Tokyo for  
information.

CUNNINGHAM

WSB

1504

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

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Charge to  
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Washington,

February 3, 1932.

793.94/A  
AMERICAN CONSUL

NANKING (CHINA).

URGENT.

18 Please keep Embassy, Tokyo, ~~fully and~~ promptly  
informed with authoritative accounts of outstanding  
significant events at Nanking.

793.94/3963A

RAM  
FE:RSM:EJL FE

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

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928

1-128



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

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Department of State

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

Washington  
 February 3, 1932.

FEB 3 32

*Partridge*  
*5 p.m.*

*793.94/A*  
*711.94*

AMERICAN EMBASSY

TOKYO (JAPAN).

37 URGENT. FOR THE AMBASSADOR.

American Consul General, Shanghai, reports to the Department that the Consular Body has received from the Defense Committee at Shanghai a strong protest, dated February 2, against the stationing in their sectors of Japanese detachments who commit acts of unnecessary violence against the Chinese population, thereby causing ill-feeling between various nationals stationed in Shanghai and arousing a dangerous feeling of hostility among the Chinese against troops of other powers who are properly responsible for those sectors. The protest states that emphatic protests have already been made to the Japanese Commander without any result to date.

793.94/3963B

Enciphered by .....

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

1507

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

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PLAIN

## Department of State

Washington,

- 2 -

711.94

Attached to the protest are annexes giving specific instances of apparently indefensible acts of Japanese armed forces of a type which gratuitously create danger and arouse animosities. Thus: presence in mills in American sector of at least five hundred Japanese marines with not less than twelve machine guns; bayonetting in British sector by Japanese marines of two unarmed Chinese coolies, observed by Municipal police; two machine guns in <sup>American</sup> ~~Chinese~~ sector close to United States marine post trained on Chapel; Japanese official in charge intimating that United States marine post is in line of fire of these Japanese guns and Americans must move; daily passage of Japanese lorry patrols past headquarters of American marines with rifles and machine guns pointed at these American marines; wanton shooting of two <sup>Chinese</sup> ~~Japanese~~ boys apparently in Italian sector.

Information from American official sources indicates that bombing action by Japanese planes is so carried out as to draw Chinese anti-aircraft fire toward International Settlement and that Japanese fire on Woosung forts is dropping shells near American destroyer. Reliable reports indicate that Japanese naval vessels have deliberately

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

Sent by operator fired on American property.

Index Bu.—No. 80.

U. S. GOVERNMENT PRINTING OFFICE: 1958 1-138

1 1508

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

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## Department of State

- 3 -

Washington,

Without vouching for absolute accuracy in every detail of this illustrative data, Department is convinced that the activities of Japan's armed forces are occasioning unnecessary danger to foreign lives and interests both in and outside of the Settlement and in various cases appear deliberately provocative.

*Confidential Code* On the basis of the above and reciting it, you should immediately lodge with the Japanese Government another emphatic protest. You should state that the American Government regards it as axiomatic that the armed forces of Japan are thoroughly disciplined, whence it follows that their actions can be controlled; and that the American Government urges that the proper measure of control be exercised over the action of these forces. You should urge that, in the view of the American Government it is desirable that all activities of Japanese armed forces in the Settlement except such as are authorized and directed by the Settlement authorities together with any other activities which needlessly endanger life in or jeopardize the order and peace of the Settlement should be discontinued.

The British Government has instructed its Ambassador at Tokyo again to protest and has suggested to the French and Italian Governments that they take similar action.

Enciphered by FE:SKH/ZMF

FE

Sent by operator M, 19

Index Bu.—No. 50.

*Stinson*  
424  
U. S. GOVERNMENT PRINTING OFFICE: 1972 1-128

DECLASSIFIED: E.O. 11652, 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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## Department of State

Washington,

February 3, 1932.

AMERICAN EMBASSY

TOKYO (JAPAN).

URGENT. FOR THE AMBASSADOR.

American Consul General, Shanghai, reports to the Department that the Consular Body has received from the Defense Committee at Shanghai a strong protest, dated February 2, against the stationing in their sectors of Japanese detachments who commit acts of unnecessary violence against the Chinese population, thereby causing ill-feeling between various nationals stationed in Shanghai and arousing a dangerous feeling of hostility among the Chinese against troops of other powers who are properly responsible for those sectors. The protest states that emphatic protests have already been made to the Japanese Commander without any result to date.

You should immediately lodge ~~a strong~~ protest (with the Japanese Government) against the above-mentioned actions of their troops at Shanghai, which, besides involving great danger to all foreign interests in Shanghai, ~~are calculated to prevent the restoration of normal relations between China and Japan.~~ You should

by \_\_\_\_\_

urge

operator \_\_\_\_\_ M., \_\_\_\_\_ 19\_\_\_\_

Bu.-No. 80.

U. S. GOVERNMENT PRINTING OFFICE: 1925 1-128

*of which there are illustrations*

F.W. 793, 94/39638

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

TELEGRAM SENT

Department of State

Washington,

- 2 -

*that it is absolutely essential that*  
urge ~~the vital necessity of~~ the actions of the Japanese  
military at Shanghai being kept under proper restraint.

The British Ambassador at Tokyo has received  
similar instructions and the French and Italian  
Governments have been invited to take similar action.

*Stinson*

*RAM*  
FE:RSM:EJL FE

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

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

Index Bu.—No. 50.

*and you should be aware  
that in the view of the  
Am. Govt it is desirable  
that all activities of  
Japanese armed forces in  
the Settlement kept such as  
are authorized and directed  
by the Settlement authorities  
and any other activities*

U. S. GOVERNMENT PRINTING OFFICE: 1955 1-138

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

which endangers life in <sup>the</sup> ~~the~~ <sup>order</sup> and peace of  
~~with~~  
The Settlement should be discontinued.

79344

PARAPHRASE

(Sent to British Ambassador  
February 5, 1932)  
S.K.H.

Telegram from Secretary of State  
to the American Ambassador, Tokyo,  
February 3, 1932. /3962 u.

The Department is advised by the United States  
Consul General at Shanghai that the Shanghai Defense  
Committee protested vigorously yesterday to the Consular  
Body against having detachments of Japanese forces  
stationed in their sectors, inasmuch as these detachments  
treat the Chinese population with unnecessary violence,  
thus arousing ill-will between the various nationals at  
Shanghai and promoting a dangerous feeling of hostility  
on the part of the Chinese against the troops of other  
nationalities which are properly charged with the  
defense of these sectors. According to the protest, the  
Defense Committee has already protested emphatically to  
the Japanese Commander but without result to date.

The protest includes annexed documents which cite  
specific cases of what would seem to be indefensible acts  
by Japanese troops, which acts arouse hatred and create  
fresh danger without cause. Such, for example, is the  
presence of 500 or more Japanese marines with at least  
twelve machine guns in the mills in the American sector;  
the bayonetting by Japanese marines of two unarmed  
Chinese coolies in the British sector under the eyes of  
the Municipal Police; the presence of two Japanese  
machine guns trained on Chapei, close to the U. S. Marine  
post in the American sector (The local Japanese commander  
has suggested that this post is in the line of fire of  
these guns and that the American troops must remove them-  
selves); the passage of Japanese patrols in trucks  
every day past the American Marine Headquarters, with  
rifles

793.94/3963B

- 2 -

rifles and machine guns pointed at the American marines; and the wanton shooting, apparently in the Italian sector, of two Chinese boys.

American official sources have supplied information which indicates that the bombing activities conducted by Japanese planes are calculated to draw toward the International Settlement the Chinese anti-aircraft fire and that shells were dropped near a U. S. destroyer by the Japanese fire on the Woosung forts. Japanese naval vessels have deliberately opened fire on American property, according to reliable information.

While the Department does not desire to endorse the accuracy of every detail of this illustrative information, it is convinced that an unnecessary danger to foreign lives and property, both inside and outside of the International Settlement, has been created by the activities of Japanese armed forces, which activities seem deliberately provocative in several cases.

You should immediately and emphatically protest again to the Japanese Government, on the basis of the above information, which you should cite in this connection. You should inform the Japanese Government that the Government of the United States assumes that the Japanese armed forces are so thoroughly disciplined that their actions can be controlled and that, accordingly, the Government of the United States urges that the action of these Japanese forces be subjected to proper measures of control. You should state that this Government regards it as desirable that the Japanese armed forces should discontinue all of their activities in the International Settlement except for such activities as are directed or authorized by the authorities of the Settlement, and that the Japanese armed forces



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

- 3 -

forces should likewise discontinue any other activities of a sort which may cause unnecessary danger to life in the Settlement or jeopardize its peace and order.

The British Ambassador at Tokyo has been instructed by his Government to renew his protests and similar action by the Italian and French Governments has been suggested by the British Government.

1515

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

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Department of State



Washington,  
February 4, 1932.

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AMEMBASSY

FEB 4 32

LONDON, (ENGLAND)

FOR AHERTON.

Please go to see the Foreign Minister at once and give him this information:

The estimate of the situation given us by our advisers is that the Japanese last week met with a sharp set-back in Shanghai. They had previously believed that they could dominate the boycott situation merely by landing naval units and without the use of an expeditionary force. They had not expected the Southern Chinese Army to be so superior to the Chinese they had met in Manchuria and have got themselves into a very serious situation.

As a result of this situation probably, came the Japanese request of good offices. Under these circumstances it is most important that the British-American alignment should continue unbroken in any respect. Any appearance of hesitation or break in our common purpose would have a very bad effect in Tokyo.

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

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-128

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

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## Department of State

Washington,

2

Why  
Yesterday the Japanese Ambassador came to see me to discuss the five proposals, saying that the Japanese Government seriously objected to the fifth. I told him in reply that the principal danger at present was in Shanghai and that this was caused by the Japanese use of our sector as a base against the Chinese. I told him that we had definitely determined that the only adequate method of protecting our nationals and their property was to maintain the neutrality of the International Settlement and that we were prepared to do so; that I believed the British and the French felt the same way. I said further that our nationals were now being greatly endangered by the action of Japanese regulars and irregulars coming into our sector and attacking the Chinese from it as a base. I said that I must present in the strongest way to his Government that <sup>this</sup> ~~that~~ must stop. I made him take it down in writing, and he promised to send it to his Government. I feel it of the utmost importance that the British Government also make it very clear to the Japanese that they will not tolerate any possible use of the <sup>International</sup> Settlement as a base of operation and are determined to maintain the neutrality of the Settlement.

Enciphered by .....

I am

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

1517  
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

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Washington,

3

I am now informed that the Japanese marines evacuated  
our sector and also turned over to the British and to the  
Americans the defense of the mills in front of our sector,  
which has for several days been a danger point.

*Stinson*  
*Wing*

S HLS

*Stinson*

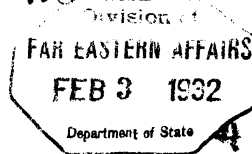
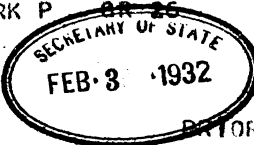
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

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JAPANESE INTEND TAKING OVER WOO SUNG FORT PERIOD AMCONSUL GENERAL  
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Department of State letter, August 10, 1972  
By Milton O. Lustigsm NARS, Date 12-18-75

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8603 JAPANESE CONSULATE ADVISED AMERICAN CONSULATE COOSUNG FORTS  
BEING BOMBARDED REQUEST AMERICAN SHIPS KEEP CLEAR 1525

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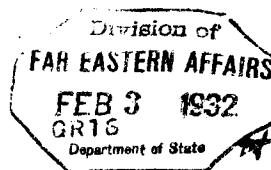
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Milton O. Gustafson NARS, Date 12-18-75

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

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[illegible]

RECEIVED IN THE GOOD OFFICE AT 0400, 3 FEBRUARY 1968, THE SECRETARY OF DEFENSE

(1)  $\{ \alpha_i \}_{i=1}^n$  is a  $\mathbb{Z}$ -basis of  $\Lambda$ .

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

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JUN 4 1982

**CHILD**



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

515 NPG L Z C5Q PEAT V WICK GR 18

ACTION, ALL SHIPS AND AIRCRAFT

1102 FOUR FURL ARIVAL THIRD AT SWAYON PILLBURY  
FROM CAPE GOOD HOPE PILLBURY FOR SICT 1890

1102 03 0FEB

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FEB 3 - 1932

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D

F/DEW 793.94/3964

JUN 4 1932

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FE

Division of  
FAR EASTERN AFFAIRS  
FEB 3 1962  
Department of State

F/DEW

793.94/3964

7

JUN 4 1932

**CHINESE**

# CHITTE

# CHITTE

# CHITTE

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

472 NPG



FROM : U.S.S. SIMPSON  
ACTION : COMYANGPAT  
INFO : COMDESRON 5 COMDESDIV 14 CIRC ASIATIC - YANGPAT  
FOURTH REG USMC OPNAV

*Nothing*

0002 APPROXIMATELY THIRTY SIX AMERICANS REMAINED ON  
BOARD AND OTHERS ASHORE IN SPAN ACCESSIBLE PLACE WILL EVACUATE DOWN  
RIVER IN MERCHANT STEAMER SOMETIME TOMORROW MORNING. FAMING QUIET  
AT PRESENT NO RESUMPTION FIRING 2040

RECEIVED IN THE CODE ROOM INSERVICE CIPHER AT 2045, 2 FEBRUARY 1932

DISTRIBUTION:

13(ACTION)

RECEIVED

FEB 3 - 1932

CO COA, 01, 10A, 11, 19, 20, 16, 38, 05

SECRETARY'S OFFICE

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

283 NPG

FROM NAVAL ATTACHE PEIPING  
TO HAVINGTEL  
INFO CINC ASIATIC

*Feb 2<sup>nd</sup> Noon*

0002 WUPET FU ARRIVED PEIPING LAST NIGHT FROM SUI YUAN WELCOMED  
BY CHANG HSUEH LIANG AND OTHER OFFICIALS. VERNACULAR PRESS ATTACHES  
MUCH POLITICAL IMPORTANCE TO HIS RETURN. HARBIN REPORTS THAT SOVIET  
OFFICIALS CHINESE EASTERN RAILWAY MIRACLY AGREED PERMIT USE THAT  
RAILROAD CHANG CHUN TO HARBIN FOR TRANSPORTATION OF JAPANESE TROOPS.  
JAPANESE BELIEVED AWAITING SUFFICIENT REINFORCEMENTS THAT AREA TO  
EFFECTIVELY CRUSH ANY RESISTANCE CHINESE TROOPS MAY OFFER. 1200

REC'D SERVICE CENTER AT 0440 2 FEBRUARY 1932

16 ACTION 19 20 05 -VITE

RECEIVED

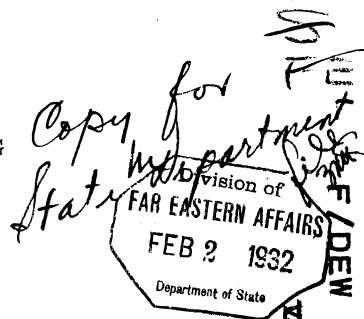
FEB 3 - 1932

SECRETARY'S OFFICE

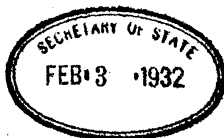
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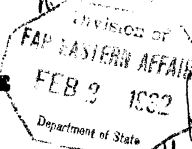


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 Department of State letter, August 10, 1972  
 By Milton O. Gustafson NARS, Date 12-18-75



RECEIVED

FEB 3 - 1932

SECRETARY'S OFFICE  
YHT

FROM: USS SIMPSON

TO : COMYANG PAT

INFO: COMDESRON 5-COMDESDIV 14-CINCPACIFIC-YANGPAT-4TH REG.-OPNAV

0002 THE FOLLOWING STATEMENT FROM JAPANESE NAVAL SOPA WAS GIVEN  
 OUT BY AN OFFICER FROM THE HIRADO WHO CAME ABOARD AT 0100  
 "THREE ROUNDS OF AMMUNITION WERE FIRED AT 2300 FROM FORT ON LION  
 HILL WOUNDING 2 OF OUR SENTRIES AT N.K.K.FLOAT. THEREFORE THEY  
 SENT URGENT MESSAGE AND FIRE WAS OPENED ON LION HILL, THE SENTRIES  
 WITHDRAWING TO THE SHIPS."

NIGHT WAS DARK, REPORTS SOUNDED AS IF NEARBY; NO FIRING WAS  
 HEARD IN THE DISTANCE. DISTANCE BETWEEN THE FLOAT AND LION HILL  
 PEAK 1250 YARDS AND FROM WALL AT BASE OF HILL 1020 YARDS. 0230

DISTRIBUTION

RECEIVED IN CODE ROOM  
 0952 2 FEBRUARY 1932.

13.....ACTION

00.....

00A.....

02.....

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11.....

16.....

19.....

20.....

20A.....

DALY.....

FILE

DECLASSIFIED  
 E.O. 11652, Sec. 3(E) and 5(D) or (E)  
 NND 730032  
 By 28/95 NARS, Date 10/23/95

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793.94/3964

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FILED  
JUN 4 1932

SECRETARY'S OFFICE

FEB 3 - 1932

REMOVED

DISTRIBUTION:  
16. ACTION  
13. (2)  
10A. SHOWN  
11. SHOWN

RECEIVED IN THE CODE ROOM AT 1620, 2 FEBRUARY 1932

THE TIME OF RECEIPT OF THIS DISPATCH IS REQUESTED 1930  
OF THOUGHTS AND WAR VESSELS IS NOW IN EFFECT.

PREPARED FOR ANY CONTINGENCY UNDER. A CERTAINSHIP ON MOVEMENTS  
ALTHOUGH THIS CONSTITUTES THE ANNUAL MANEUVERS, WE WILL SAIL FULLY  
THAT THEY CAUSED A BAD EFFECT UPON PUBLIC OPINION; QUOTE  
THE DEPARTURE OF THE U.S. FLEET FOR HAWAII AND IT IS THOUGHT  
ED ON THE FRONT PAGE OF JAPAN ADVISER THIS MORNING ON DESCRIBING  
FOLLOWING ALTHOUGH REMARKS ATTRIBUTED TO ADMIRAL LEIGH WAS PUBLISH  
FLEET. AT LEAST ONE ARMY DIVISION IS BEING SENT TO SHANGHAI. THE  
WILL BE ORGANIZED INTO ONE UNIT WHICH WILL BE KNOWN AS THE THIRD  
ADMINISTRATIVE PURPOSES THE SHIPS THAT ARE NOW IN CHINESE WATERS  
AND ADMIRAL PRINCE KUSUMI WAS APPOINTED TO SUCCEED HIM. FOR  
1602 TODAY TAIKOUCHI RESIGNED AS CHIEF OF NAVAL GENERAL STAFF

F/DEW 793.94/3964

Division of State  
FEB 3 1932  
AFR EASTERN AFFAIRS

FROM : AUSA TOKYO  
ACTION : HAWAII

XC YC

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Department of State letter, August 10, 1972  
BY: M. J. O. [signature]  
NARS, Date 12-18-75

152  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Lustigson NARS, Date 12-18-75

XC

YC



FROM : ALUSNA TOKYO  
ACTION : NAVINTL

1602 TODAY TANIGUCHI RESIGNED AS CHIEF OF NAVAL GENERAL STAFF  
AND ADMIRAL PRINCE FUSHIMI WAS APPOINTED TO SUCCEED HIM. FOR  
ADMINISTRATIVE PURPOSES THE SHIPS THAT ARE NOW IN CHINESE WATERS  
WILL BE ORGANIZED INTO ONE UNIT WHICH WILL BE KNOWN AS THE THIRD  
FLEET. AT LEAST ONE ARMY DIVISION IS BEING SENT TO SHANGHAI. THE  
FOLLOWING ALLEGED REMARKS ATTRIBUTED TO ADMIRAL LEIGH WAS PUBLISH-  
ED ON THE FRONT PAGE OF JAPAN ADVISER THIS MORNING ON DESCRIBING  
THE DEPARTURE OF THE U.S. FLEET FOR HAWAII AND IT IS THOUGHT  
THAT THEY CAUSED A BAD EFFECT UPON PUBLIC OPINION; QUOTE  
ALTHOUGH THIS CONSTITUTES THE ANNUAL MANEUVERS, WE WILL SAIL FULLY  
PREPARED FOR ANY CONTINGENCY UNQUOTE. A CENSORSHIP ON MOVEMENTS  
OF TROOPS AND WAR VESSELS IS NOW IN EFFECT.

THE TIME OF RECEIPT OF THIS DESPATCH IS REQUESTED 1920

RECEIVED IN THE CODE ROOM AT 1620, 2 FEBRUARY 1932

DISTRIBUTION:

16.....ACTION

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10A.....SHOWN

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FILED

JUN 4 1932

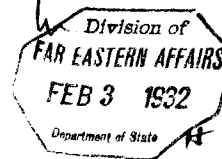


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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

CONFIDENTIAL

XC

YC



F/DEM

793.94/3964  
K

FROM : ALUSNA TOKYO  
ACTION : NAVINTKL

1603 THE NEW COMMANDER IN CHIEF OF THE RECENTLY ORGANIZED THIRD  
JAPANESE FLEET IS VICE ADMIRAL NOMURA 1520

RECEIVED IN THE CODE ROOM 0435, 3 FEBRUARY 1932

DISTRIBUTION:

16.....ACTION

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*Handwritten:* Kelly, H. man Date Mar 19/1932

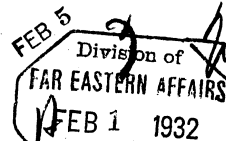
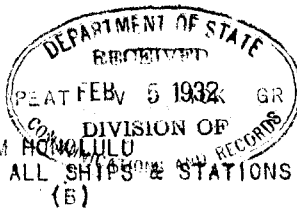
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By Milton O. Gustafson NARS, Date 12-18-75

69NPG

L Z C5Q



1701 THE PEARL ARRIVALS CANTON SOPATCOM IN MINDANAO DEPARTURES FROM  
MANILA COMMISSION FIVE IN SHIPPLE COMMISSION THIRTEEN IN CLINTHOMPSON  
DEPART THIRTEEN LESS SOME PLUS POPE FOR SHANGHAI ARRIVE SIX HOURS  
THURSDAY FOURTH COMMISSION IN CHIEF STATIC IN HOUSTON FOR SHANGHAI  
DEPART THIRTEEN LESS SOME PLUS POPE FOR SHANGHAI ARRIVE EIGHTEEN HOURS  
SIXTH COMMISSION COMMISSION SHIPPLE COMMISSION SHIPPLE COMMISSION  
TION SHIPPLE IN SHIPPLE 2600

38 ACTION  
10A 11 05 19 20 13 16

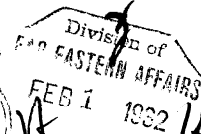
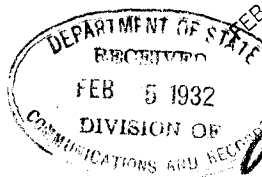
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By Milton O. Gustafson NARS, Date 12-18-75



*der*

F/DEW

793.94/3964 FILED

M

FEB 5 1932

21W DH CO

WASH DC FEB 1 1932

FROM: WESTERN UNION WASHN  
TO: COMMUNICATION OFFICE  
NAVY DEPT

DM WASHN

MEMBERSHIP HAS BEEN ESTABLISHED IN CHINA BUT NOT IN HONGKONG WHICH  
IS BRITISH POSSESSION OR IN JAPANESE POSSESSIONS IN SOUTH CHINA  
AND IN KWANTUNG PENINSULA

STANBURY

1145 CR 1 FEB

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

39 NPG

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LARK F

FROM  
ACTION  
INF

USS SIMPSON

FEB 5 1932

CONYANGPAI

COMDESRO

FOURTH REG

DIVISION OF

COMDESRO

USMC

OPNAV

AS-AL C. YANGPAT

PR OR

(B)

FEB 5

FAR EASTERN AFFAIRS

FEB 1 1932

Department of State

10 a.m.

1001 JAPANESE CRUISER E. PING ON

N. K. H. S.

2300

1942

THIS COPY FOR STATE DEPARTMENT

DCR

F/DEW

793.94/3964

N

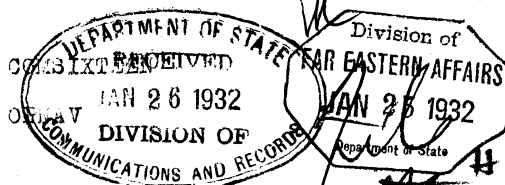
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FEB 5 1932

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

4871 NEG

FROM  
TO



F/DEW

0025 FRENCH CRUISER WALDECK ROUSSEAU ARRIVED MANICA 25 JANUARY  
WITH GOVERNOR GENERAL FRENCH INDO CHINA. 1355

REC CODE ROOM IN SERVICE CIPHER AT 0520 25 JANUARY 1932

13 ACTION 10A 11 16 38 05 19 20 FILE

793.94/3964  
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JAN 26 1932

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

Op-13/PS

Chief of Naval Operations

28 January 1932

W. R. SEXTON,  
Acting

CINC ASIATIC

COMYANGPAT

RESTRICTED

Routine

0028 DEPARTMENT DESIRES THAT YOU CONSIDER YOURSELF FREE TO SEND ADDITIONAL  
VESSELS TO CHINESE WATERS AS SITUATION MAY REQUIRE PARAGRAPH ASCERTAIN PRESENT  
VIEWS OF CONSULS GENERAL NANKING AND SHANGHAI AND SEND SUCH VESSELS AS MAY SEE <sup>M</sup>  
NEEDED PARAGRAPH SITUATION ON YANGTZE AND PARTICULARLY AT SHANGHAI MAY ASSUME  
SUCH CHARACTER THAT IT MAY BE NECESSARY FOR YOU TO MOVE TO THAT AREA WITH  
HOUSTON AND ALL AVAILABLE DESTROYERS PERIOD CONTINUE ROUTINE NAVY YARD  
OVERHAUL OF DESTROYERS AS NOW PLANNED BUT OTHERWISE KEEP HOUSTON AND ALL  
DESTROYERS IN CONDITION OF READINESS FOR PROMPT MOVEMENT IF AND WHEN  
SITUATION REQUIRES AND DEPARTMENT SO DIRECTS 1500

CC: State Dept. (via Op-13) ✓  
Op-16.  
Op-23.  
Op-38.

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

OSD letter, May 3, 1962

NARS Date

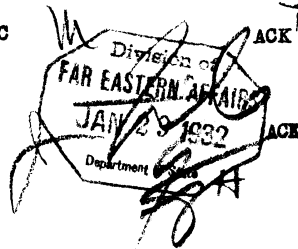
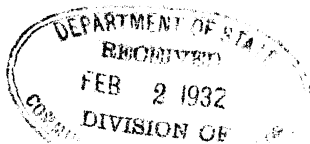
deHilpman Mar 19  
1973

JUN 4 1932

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1536

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

1-138  
 PREPARING OFFICE  
 WILL INDICATE WHETHER

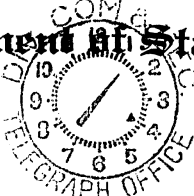
Collect  
 Charge Department  
 OR

Charge to  
 \$

793.94/A  
 89/102-59  
 100-102-59

TELEGRAM SENT

Department of State



Washington,

February 4, 1932.

FEB 4 32

1-138  
 TO BE TRANSMITTED  
 CONFIDENTIAL CODE  
 NONCONFIDENTIAL CODE  
 PLAIN

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

AMERICAN CONSUL,

SHANGHAI, (CHINA).

*Confidential*

On information that may or may not be correct, we believe  
 that Japanese infantry to the extent of four thousand <sup>may possibly</sup> have  
 already been landed at Woosung; that these are probably the  
 advance guard of the movement of a Japanese Division. If they  
 land at Woosung, it <sup>would seem</sup> is quite possible that they will move upon  
 the Chinese forces at Chapei along the railway line from  
 Woosung to Shanghai, in which case there would be danger of  
 defeated Chinese troops being forced into the American sector  
 of the International Settlement.

This is sent to you for your <sup>confidential</sup> information and that of the  
 commanders of the neutral forces.

*Thurson*

S HLS:EMS

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

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-138

793.94/3965A

153

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

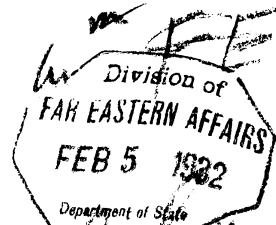
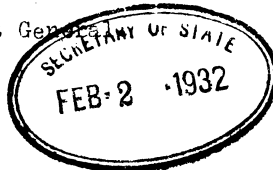
RADIOGRAM

February 2, 1932

9:30 A.M.

From Tokio *MA*

To The Adjutant General



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FEB 2 - 1932

SECRETARY'S OFFICE

CONFIDENTIAL

Number 211

February 2d

Minister of War, Minister of Marine and Minister of Foreign Affairs decided last evening to send at least one Army Division to Shanghai. Cabinet has been in conference all day. Newspapers and news cable censored on all matters of time movement of troops. Situation tense when all interest centers on Shanghai. Police force about embassy increased to-day but no evidence as yet of any increase of ill feeling towards Americans. Prince Fushimi made Naval Chief of Staff to-day. Please acknowledge time<sup>x</sup> received.

McIlroy

<sup>x</sup> Note: Received Washington February 2d, 8 a.m.

*L. Kilgastman*

*Mar 19,  
1973*

CONFIDENTIAL

F/DEW

793.94/3965

JUN 4 1932



✓ EE

TELEGRAM RECEIVED

REP

FROM

GRAY

Peiping via N. R.

Dated February 5, 1932

Rec'd

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

793.94  
note  
893.00

Secretary of State,  
Washington.

200, February 5, 5 p. m.

Legation's 160, January 31, 1 p. m.

One. Chinese press reports that Chiang Kai Shek,  
Wang Ching Wei and other officials of the National  
Government arrived at Loyang on February 3.

Two. Lieutenant Wyman is leaving here and expects  
to leave tonight for Chengchow and Loyang to observe  
and report on ~~the~~ *Conditions*.

FOR THE MINISTER  
PERKINS

JHR

WSB

(#) Apparent omission

F/LS 793.94/3966

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FEB 11 1932

Division of  
FAB EASTERN AFFAIRS  
FEB 5 1932  
Department of State

TELEGRAM RECEIVED

MET

GRAY

FROM

Shanghai via H.K.

Dated February 5, 1932

Rec'd 9:15 a.m.

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

Secretary of State,

Washington

3, February 5, 5 p.m.

My telegram of February 4, 9 p.m.

One. Letter from Mayor dated February 4th states he has just received following notification from headquarters of Commander of Woosung-Shanghai garrison:

"A special martial law is in force at present. Will you please notify the various Consuls General and have them pass the information to the warships, merchant vessels and other ships of foreign respective nationalities that, beginning from today, the 4th instant, they should not go in and out of the harbor of Woosung between 5 p.m. and 7 a.m. daily".

Two. I have communicated foregoing without comment to Commander-in-Chief and American shippers.

Three. Apparently conditions are quiet at Woosung. Harbormaster states orally ships have been passing

February



F/LS 793.94/3967

FILED  
FEB 11 1932

793.94  
note  
893.1025.  
893.000 martial  
Law

893.801

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

MET

2-#3 from Shanghai, February 5,  
5 p.m.

February 5th but not expected to move at night.

Repeated to the Legation and Nanking for information.

CUNNINGHAM

WSB

TELEGRAM RECEIVED

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PLAIN

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

FROM

Peiping via N. R.

Dated February 5, 1932

Rec'd 8:20 a. m.

Secretary of State,  
Washington.

199, February 5, 4 p. m.

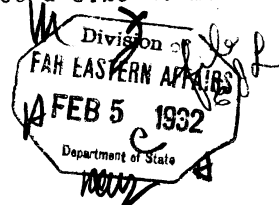
Following from Reuter, Shanghai, February 4th and 5th:

"This afternoon a major engagement developed in  
North Chapei behind the Japanese headquarters.

A correspondent of Reuter, visiting the headquarters,  
found the staff very busy erecting (\*) vigorous street  
fighting and coordinating it with aerial bombing.  
The Chinese, however, are showing a determined resistance  
in spite of the demoralizing effect of combined  
artillery and bombing attacks and are replying with  
machine guns and trench mortars, shells from which  
are occasionally dropping around the Japanese head-  
quarters. An officer pointed out to Reuter the stains  
of blood where sentries had been killed this afternoon.

The Japanese hope that their artillery and bombs  
will flatten out the congested buildings where the fight-  
ing is now going on, allowing more open fighting and  
a rapid advance.

After nine hours fighting the Chinese are still  
holding



F/LS 793.94/3968

FILED

FEB 11 1932

793.94  
note  
893.1025

REP

2- #199, from Peiping, Feb. 5, 4pm

holding their own determinedly and declining to be  
dislodged.

The Mayor of Greater Shanghai, General Wu T. Chen,  
interviewed by a Reuter correspondent last evening,  
said that the morale of the Chinese troops gallantly  
defending Chapei against the Japanese onslaught was  
now very high. Having waged a week's battle and held  
their own, the Chinese troops no longer feared the  
formerly dreaded marines and bluejackets.

893.102S  
General Wu T. Chen emphasized that the Chinese troops  
were disciplined. They were determined not to attack  
the Japanese positions owing to respect for the  
International Settlement. They were holding defensive  
positions but would resist to the utmost all Japanese  
attacks."

FOR THE MINISTER

PERKINS

KLP

HPD

(\*) Apparent omission

4

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FEB 2 - 1936

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File  
Department of State

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793.94/3969

no more  
S. C. S.  
D. C. S.

## International Settlement

06T231943

French Settlement

France	960	-	960 (mostly native Annamites, white officers.)
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Shanghai Volunteer Corps -- International Settlement

<u>Nationality</u>	<u>Actives</u>	<u>Reserves</u>	<u>Total</u>
British	620	345	965
American	190	10	200
Japanese	110	-	110
Portuguese	95	15	110
Chinese	125	15	140
Russian	320	-	320
	<u>1,460</u>	<u>385</u>	<u>1,845 (1)</u>

- (1) Reported as maximum strength December 1, 1931. Includes 125 officers. Total force mobilized January 30, 1932 - 1,746.

The Shanghai Volunteer Corps is composed of male residents of International Settlement; the Corps is a reserve military force at disposal of Shanghai Municipal Council for reinforcing normal police force and for protecting International Settlement from armed exterior invasion; the Corps is commanded by a senior British Army officer (sometimes a retired officer) especially selected by British Government at request of Municipal Council.

*Alfred T. Smith*  
ALFRED T. SMITH,  
Colonel, General Staff,  
A. C. of S., G-2.

elt



CONFIDENTIAL  
DEPARTMENT OF STATE  
THE SECRETARY



January 30, 1932.

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON  
AND THE JAPANESE AMBASSADOR, MR. KATSUJI DEBUCHI.

Shanghai Situation

The Japanese Ambassador called on me at his own request upon his return from Cuba. He said that he was instructed by his Government to make representations to me in reply to our representations the other day in regard to avoiding military occupation of the International Settlement. The Ambassador then repeated substantially the instructions which had come to me already through Tokyo. He said he presumed that I had received them from Tokyo and I said I had. I then told the Ambassador that the matter had progressed far beyond the time when this message in reply had been given; that I was informed by our representatives in Shanghai that the night before last, after the Mayor of Shanghai had made a favorable reply to the demand of the Japanese Consul General and after the Japanese Consul General had told the Board of Consuls that he deemed this reply favorable, and after a promise of ample warning had been made by the Japanese Commanders, the Japanese troops, without warning, in the middle of the night had forcibly seized Chapei and had

fired

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FEB 6 1932

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DEPARTMENT OF STATE

THE SECRETARY

- 2 -

fired on the civilian population not only with rifle and machine guns but with airplanes and bombs. I told the Ambassador that he must have seen from the press what a serious reaction this had made in this country. He said he had seen it and it was very, very serious. The Ambassador suggested that a change of the situation had occurred, after the Consul General's announcement as to the favorable reply of the Chinese, in the fact that the Municipal Council had declared a state of emergency. I told him I did not see how that could affect the situation in the least and he did not press the point. The Ambassador said that the Japanese landing body, consisting only of sailors as they had no marines in Shanghai, had proceeded to the neighborhood of the defense line which had been allocated to the Japanese and that these men had been fired on by snipers, and that this was the report he had received. I told the Ambassador I did not think it was necessary to get into a discussion as to who fired the first shot or who applied the match to the powder barrel. The gist of the situation was that, by bringing this strong naval force into the port of Shanghai at this time and threatening a landing, the Japanese had created an explosive situation which

WAS

DEPARTMENT OF STATE

THE SECRETARY

- 2 -

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was

DEPARTMENT OF STATE

THE SECRETARY

- 3 -

was bound to result in an explosion and I regretted to say that I could not look at it in any way except as due to the fault of the Japanese. The Japanese Ambassador shook his head and said that I must recognize that he agreed with me on the general principle. I went on to say that I was very much concerned about the present condition in the International Settlement; that it was one which was almost certain to result in a major disaster. I told the Ambassador that five minutes before he came in I had received a press flash to the effect that a mob consisting of Japanese, including Japanese military, were looting the houses in a portion of the International Settlement; that I could not vouch for the accuracy of the report but it was in the press. I pointed out how difficult it would be to protect life and property in the Settlement in a situation which was created now by the conflict between the two large forces of China and Japan in that immediate neighborhood. Finally, I told the Ambassador that in this situation representations would undoubtedly have to be made on the subject by my Government to his. I did not tell him that they had already been made.

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DEPARTMENT OF STATE

THE SECRETARY

- 4 -

At the close of his talk with me, the Ambassador handed me the annexed statement issued by Mr. Murai, Consul General of Japan at Shanghai. I asked him whether it was the one issued by him to the Board of Consuls on January 28th, and he said no, it was issued the following day. I did not read it while the Ambassador was present.

HLS.

S HLS:CBS

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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. Lustigsm NARS, Date 12-18-75

STATEMENT ISSUED BY MR. MURAI, CONSUL GENERAL OF JAPAN  
AT SHANGHAI, ON JANUARY 29, 1932.

It is true that the Mayor of greater Shanghai conceded late on January 28th to all demands contained in my note of January 20th and we were anxiously watching for the development in view of various rumors and questionable ability of the local Chinese authorities to control the situation, particularly the undisciplined soldiers and dissatisfied elements. By four o'clock the Shanghai municipal council declared a state of emergency, meanwhile the excited refugees, most of whom were Chinese, poured into the settlement from all directions. The rumor of surreptitious entry of the "plainclothed corps" gained wide circulation. To make the situation from bad to worse, all the Chinese constables fled from the Chapei district where about 7000 Japanese reside. The excitement of the populace grew to feverpoint. As an emergency measure of protecting the Japanese lives and property in Chapei, a Japanese landing force was despatched in accordance with a previous arrangement with authorities of the municipality and British, American and other forces and in conformity with former precedents of similar cases. (The territory in question is a strip of

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

land in Chapel on the east side of the Shanghai-Woosung railway which by the abovenamed agreement was assigned to the Japanese). No sooner had the Japanese landing force appeared on emergency duty near its headquarters than the Chinese soldiers in plain clothes attacked them with hand grenades in the neighborhood of the Shanghai-Woosung railway. This attack served as a signal for the Chinese regulars to open fire on the Japanese force, whereupon the latter was forced to return fire. At about the same time, these disguised outlaws commenced shooting at the Japanese at random in the area mentioned above. They have already claimed a number of Japanese lives in the same area. I made it a special point to ask Mr. Yui, Secretary General of the municipality of greater Shanghai, to withdraw the Chinese troops from the section in question when I received the Mayor's reply yesterday to which he gave his ready assent and assured me that it would be done. Had the Mayor been able to bring the military to coordinate speedily with him we might have averted the unfortunate incident. I am demanding again for an immediate withdrawal in view of what took place and is now taking place. If the Chinese authorities are unable to stop the assault and complete the withdrawal from that section, I see no other alternative but to enforce it

by force. I should like to make it clear that this clash is to be distinguished from the question contained in my note of January 20th which was solved for the time being at any rate. I would also like to point out that the wild story about the Japanese attack on the Woosung Fort is groundless. This Chapei incident is entirely a matter of self-defense in emergency in an effort to protect Japanese life and property and indeed those of other nationals including Chinese themselves. I am hoping for a speedy cooperation of the Chinese side to avoid any further conflict or sacrifices and to that end to withdraw its troops.

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

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CANCELLED.

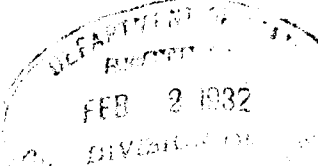
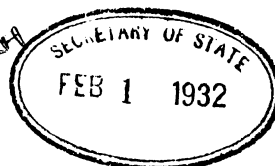
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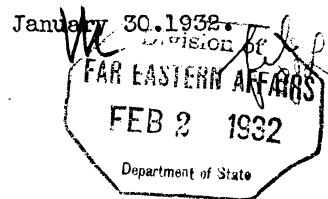
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

Handed to me by  
British Ambassador  
E-30-5089

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Telegram from Shanghai.



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At a meeting of Defence Committee this morning situation was considered to be extremely serious. In spite of protests, Japanese forces continue to use sector of other nations both offensively and defensively, thereby infringing neutrality of the Settlement. Further protests are now being made through consular bodies.

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His Majesty's Ambassador at Tokio is advised by telegram dated yesterday that, from the foregoing it is clear that assurances given him and reported to the Foreign Office are not being observed. This would be a very grave breach of faith. He is to make renewed and immediate representations, and if the answer is not entirely satisfactory he is to protest with great seriousness and energy.

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FEB 9 1932

It is hoped that the Government of the United States will make similar representations.

Jan: 3/1932

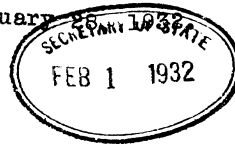
Rome + Paris similarly instructed.

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 26, 1932

MANCHURIA SITUATION



Renewal of Discussion by Council of League, January 26.

I. Commission of Inquiry.

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II. The General Situation.

JAN 30 1932

III. Nine Power Treaty.

SECRETARY'S OFFICE

IV. Position of the United States.

V. The Shanghai Situation.

I. Commission of Inquiry.

In reply to Yen's protest of yesterday that the Commission had been long delayed in its appointment and still longer delayed in its contemplated arrival in Manchuria, Drummond stated that the Commission had been appointed with the utmost speed possible. The Commission had decided to go first to Tokyo for several days, then to Nanking for several days and then to Manchuria. It should be in Manchuria in early April or even at the end of March.

Drummond said that if the Chinese were anxious to have the Commission go immediately to Manchuria they themselves might suggest its doing so in preference to going to Nanking.

II. The General Situation.

It was agreed that the Council must proceed on the

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- 2 -

basis of the resolutions of September and December. Cecil explained, however, that the Japanese had taken action which was very different from what he had contemplated. He considered it difficult to act before the Committee reported but the Council might express its regret at developments and its view that the outcome had not at all been what they had contemplated.

Cecil again stated with emphasis that the Japanese had acted in full disregard of the views expressed by the Council.

### III. Nine Power Treaty.

Cecil stated that they should bear in mind Article 10 of the Covenant regarding respect for the territorial integrity of States members of the League as well as the Nine Power Treaty for the administrative integrity of China. He thought they ought to say definitely that they could not recognize any change affecting either treaty which was brought about by force.

Marinkovich (Yugoslavia) agreed as regards the principle of Chinese integrity but he thought it preferable to obtain an assurance from the Japanese which he thought would have more binding force upon them and at the same time offer less encouragement to the Chinese nationals.

Boncour, President, expressed doubt in regard to the wisdom of Cecil's suggestion to mention the Nine Power Treaty which he thought should be invoked not by the League but

by

- 3 -

by the signatories either singly or jointly. He was not, however, greatly impressed with the efficacy of a further Japanese statement on Chinese integrity.

After further discussion Boncour agreed that an interview should be held with the Japanese concerning the situation as a whole and advantage should be taken of the opportunity to feel out the Japanese as to the possibility of a declaration on territorial integrity and political independence in the phraseology of Article No. 10. An exchange then took place between him and Cecil as to whether this phraseology should be that of Article 10 of the Covenant or of the Nine Power Treaty regarding administrative integrity. No conclusion, however, was reached on this point.

#### IV. Position of the United States.

Cecil wished to support the action of the United States especially as in the earlier stages the United States supported the League and even went considerably beyond its usual practice to do so.

Marinkovich (Yugoslavia) doubted the wisdom of the suggestion. The Council could not foresee the future. America ought not to have a sort of moral indorsement from the League for it would be very dangerous if the Chinese-Japanese dispute became transformed into a Japanese-American dispute. The League should be cautious about echoing America's action as this might give a false impression in China and delay the process

711.94

- 4 -

process of conciliation.

Cecil replied by stating that he considered it highly desirable for the Council to put itself in line with the American protest. It involved no threat of war but was merely a statement that it would not recognize changes effected by force.

#### V. The Shanghai Situation.

The situation at Shanghai was viewed by the Council with grave concern. Cecil said that it involved the very greatest danger to world peace. He said he had just had word that never had racial or national bitterness been so extreme and that it would be very easy to create a conflagration which might involve many countries. Cecil accordingly suggested that the President of the Council together with certain members should see the representatives of the two nations privately and separately and urge upon the Japanese the necessity of remembering the international interests involved in Shanghai, and upon the Chinese the desirability of proving that they have a strong Government.

Marinkovich said that the Shanghai situation was a powder magazine and that the League should be doubly cautious.

Boncour in agreement with Cecil suggested that the most effective action would be an official demarche to the parties as soon as possible by the President with some of his colleagues. In regard to Shanghai, Boncour thought that the action to be taken by the Council should be sharp and decisive.

GHB/REK

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS  
JAN 3 1932  
DIVISION OF  
COMMUNICATIONS AND RECORDS

THE UNDER SECRETARY  
FEB 1 1932  
DEPARTMENT OF STATE

SHANGHAI SITUATION FEB 1 1932

JAN 29 1932 RECEIVED

SECRETARY OF STATE

JAN 29 1932

SECRETARY'S OFFICE

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Referring to memorandum of conversation between  
Mr. Kato and Mr. Hornbeck on January 28:

It now appears that, notwithstanding what the  
Japanese Consul General said to the Consular Body at  
Shanghai at 4 p.m., a Japanese attack began that night  
at midnight. It will be remembered that the Japanese  
Consul General had apparently, as reported by Cunning-  
ham in Shanghai's January 25, 5 p.m., on an earlier  
date "promised that reply from mayor to Japanese  
demands . . . . will be given to Council 24 hours in  
advance of any Japanese action". And that the Japanese  
Consul General, as reported in Cunningham's January 27,  
11 a.m., had "promised to inform me (Cunningham) and  
the Municipal Council of the Chinese reply and to give  
us advance notice of any military action to be taken.  
He further stated that no action will be taken until forty  
hours after the delivery of an ultimatum."

The Japanese attack seems to have begun nine hours  
after the Japanese Consul General received the Chinese  
reply and within two hours of the moment when Mr. Kato  
was talking to me. It does not appear that the Japanese

Consul

FEB 3 1932

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

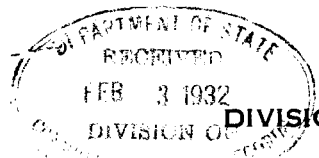
- 2 -

Consul General gave the Consular Body copy of the Chinese reply, in advance; nor does it appear that he gave the Consular Body any direct advance notice of the intended military action. (Cunningham reported that he had heard "on good authority" that notice had been given.)

*SKH*

SKH:AT

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



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Conversation.

January 28, 1932.

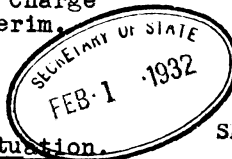
Mr. Kato, Japanese Chargé  
d'Affaires ad interim.

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THE UNDER SECRETARY

FEB 1 1932

Mr. Hornbeck.



JAN 29 1932

DEPARTMENT OF STATE

Subject: Shanghai Situation.

SECRETARY'S OFFICE

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Mr. Kato called and, after certain desultory remarks on things in general, said that he was instructed to say that his Government was having to deal with a very troublesome situation at Shanghai. He said that the Chinese had been behaving in a very annoying manner and a few days ago had assaulted five Japanese monks and had killed one. He said that Shanghai was the headquarters of the anti-Japanese boycott associations. Japan had been forced to send naval vessels and men but did not wish to do anything which would complicate the situation and certainly had no intention of interfering with interests of other powers or causing any inconvenience.

I stated to Mr. Kato that we had within the half hour received a telegram from Shanghai stating that the Japanese Consul General there had informed the Consular Body that he had received the Chinese mayor's reply, which reply he considered satisfactory/ and ~~that~~ thought that

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- 2 -

that there would be no trouble provided the Chinese kept their promises.

Mr. Kato said that he had not received this information and that he was happy to hear of it.

I took occasion to say to Mr. Kato that the Shanghai situation seemed to us a very delicate one and we were concerned with regard to it. I mentioned various factors in the problem, and he said that he quite agreed.

- - - - -

January 29, 1932.

(NOTE: It now appears that, notwithstanding what the Japanese Consul General said to the Consular Body at Shanghai at 4 p.m., a Japanese attack began that night at midnight. It will be remembered that the Japanese Consul General had apparently, as reported by Cunningham in Shanghai's January 25, 5 p.m., on an earlier date "promised that reply from mayor to Japanese demands . . . . will be given to Council 24 hours in advance of any Japanese action". And that the Japanese Consul General, as reported in Cunningham's January 27, 11 a.m., had "promised to inform me (Cunningham) and the Municipal Council of the Chinese reply and to give us advance notice of any military action to be taken. He further stated that no action will be taken until forty hours after the delivery of an ultimatum."

The

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

- 3 -

The Japanese attack seems to have begun nine hours after the Japanese Consul General received the Chinese reply and within two hours of the moment when Mr. Kato was talking to me. It does not appear that the Japanese Consul General gave the Consular Body copy of the Chinese reply, in advance.

SKH

TELEGRAM RECEIVED

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

REP

FROM GRAY

Foochow via N. R.

Dated February 4, 1932

Rec'd 5th, 11 a. m.

Secretary of State,  
Washington.

February 4, 3 p. m.

My telegram of February 2, 4 p. m.

Conditions at Foochow continue quiet. Japanese Consul General informs me that neither he nor Japanese men are planning to evacuate Foochow; that in view of the fact Shanghai situation and of rumors that China was going to declare war on Japan he had evacuated all Japanese women and children to forests as a temporary precautionary measure.

The Chinese authorities and Japanese Consul General have each in turn requested me to assure the other that each is most desirous of maintaining peace at Foochow. Each side appears apprehensive that the other will start trouble.

Due to the moderation of the Japanese Consul General and several of the leaders of the Provincial Government they have themselves been able to arrive at a settlement of the problems which have confronted them, thereby preventing

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Division of  
FAR EASTERN AFFAIRS  
FEB 5 1932  
Department of State

REP

2- from Foochow, Feb. 4, 3 p.m.

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preventing any serious clash taking place during the  
trying months which have just past. The firm but  
conciliatory spirit of the Japanese Consul General  
has made a deep impression upon the local Chinese.  
The French and British Consuls and the writer are  
lending their influence to keep the peace of the  
city.

BURKE

WSB

TELEGRAM RECEIVED

MET

GRAY

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

Shanghai

FROM

Dated February 5, 1932

Received 12:30 p.m.

Division of  
FAR EASTERN AFFAIRS  
FEB 5 1932  
Department of State

F/LS

793.94/3977

Secretary of State,  
Washington

4, February 5, 6 p.m.

Continuing my daily report of February 4, 9 p.m.

One. Heavy machine gun and artillery fire at intervals throughout the night. Beginning with increased vigor at 7 a.m. and by noon had shown no signs of dying down. It is reported by police officers that three-quarters of Chapei has been destroyed. Reported but not confirmed that 4,000 Japanese troops were landing today at Paoshan village outside Woosung. According to the best reports available regarding Woosung forts Chinese forces have not been wiped out nor forced to evacuate. It has also been reported that Japanese are starting a slight turning movement on Chapei from the rifle range. If this movement is pushed too rapidly it is liable to bring the western section of the Settlement guarded by American marines under fire. It is reliably reported that the Japanese placed additional artillery in the vicinity of Chinese

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MET

2-#4 from Shanghai, February 5,  
6 p.m.

Chinese public isolation hospital west of rifle range. So far as is known the Chinese forces are still holding the line opposite the Japanese. In the last attack the Chinese report that they drove the Japanese back behind their position along Shanghai-Woosung Railway leaving 39 Japanese dead. The Chinese suffered heavy casualties. Chinese later were forced to withdraw their lines on account of burning buildings set on fire by Japanese bombs.

Two. Chinese today closed the Hungjao Road to traffic half way between Settlement boundaries and Rubicon Road. St. John's University reported that Japanese aeroplanes were bombing in their vicinity about noon and that bombs had fallen within 200 yards of university compound.

Three. Shipping in and out of Woosung is far below normal. February 4th ten vessels, including two Japanese destroyers entered and 18 departed including 7 Japanese destroyers. Average for month of November inward 23 and outward 22.

Four. Three Japanese planes brought down by Chinese fighting planes, two out control, 3rd not accounted for.

Five.

MET

3-#4 from Shanghai, February 5,  
6 p.m.

Five. Martial law has been enforced in Nantao and Chinese city between 6 p.m. and 6 a.m. Kiangnan dock ceases operation from today. There are now 65,000 war refugees in the Settlement.

Six. The Shanghai special district court is only nominally functioning. Court officials are in state of panic.

Repeated to the Legation and Nanking and Tokyo for information.

CUNNINGHAM

WSB

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

793.94/3977A

January 29, 1932.

My dear Mr. Minister:

In accordance with your request I enclose a copy  
of Senate Document No. 55, "Conditions in Manchuria."

Sincerely yours,

*Walter Murray*

Enclosure:  
As stated.

793.94/A



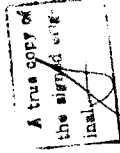
Mr. Charalambos Simopoulos,

Minister of Greece.

HE GWA/GC

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m. m. d.



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JAN 28 1932  
JAN 30 1932

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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

793.94/3977A

793.94/A

January 29, 1932.

My dear Mr. Minister:

In accordance with your request I enclose a copy  
of Senate Document No. 55, "Conditions in Manchuria."

Sincerely yours,

*Walter Murray*

Enclosure:  
As stated.

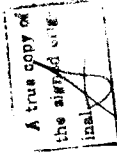
Mr. Charalambos Simopoulos,  
Minister of Greece.

RE CWA/GC

QWA

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m.H.

✓  
Jan 28 1932.  
Jan 30 1932.



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

January 29, 1932.

My dear Mr. Minister:

In accordance with your request I enclose a  
copy of Senate Document No. 55, "Conditions in  
Manchuria."

Sincerely yours,

*Wallace Murray*

Enclosure:  
As stated.

793.94/3977B

793.94/A

Mr. Simeon Radeff,

Minister of Bulgaria,

2101 R Street, N. W.,  
Washington, D. C.



RE CWA/GC

Jan 20 1932

cc

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m.m.h.

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JAN 20 1932  
JAN 20 1932

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

## DOCUMENT FILE

### NOTE

SEE 842.9111/68 FOR desp. #659  
FROM Canada (MacNider) DATED Jan. 30, 1932  
TO \_\_\_\_\_ NAME \_\_\_\_\_ 1-1127 \*\*\*

REGARDING: Sino-Japanese Situation.

Friendly feeling toward Japan expressed  
in Canadian press. Quotes editorial  
from the CITIZEN, together with editorials  
from other Canadian papers.

fo

793.94/3978

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There has been in the Canadian press a certain amount of guarded discussion of the conflict in Manchuria, coupled with expressions of a distinctly friendly feeling toward Japan. The Ottawa CITIZEN of the 12th instant gives a summary of the facts and treaty aspects of the situation, without editorial comments on the policies of the nations involved. However, in its issue of the 16th instant the CITIZEN has an editorial entitled "Canada in the Far East", praising the activities of the Canadian Legation at Tokyo and the work of the present Canadian Minister, Mr. Marler. In the course of this editorial the writer takes occasion to suggest that, until a Canadian Legation can be opened in China a Canadian diplomatic official might be attached to the British Legation at Peking. Reverting to relations with Japan the CITIZEN seizes the opportunity to indulge in some pharisaic comment on the Canadian policy towards Japanese immigrants, as compared with that of the United States. The writer says:

"Official Japan has long regarded Canada with particular cordiality. At the time when western politics in the United States deeply offended Japan, by summarily debarring Japanese immigrants as though they were of an inferior race, Canada had the intelligence to confer with Japan to restrict migration on a basis of mutual respect. Canada had the grace to recognize that Japan's level of civilization is at least no lower than the level in this western world.

"Japan has no desire to force immigrants into North America. The Japanese are sensitive people, unwilling to live in any community where they would be treated as inferior. They acknowledge at once that Canada alone must be the judge on measures relating to the settlement of immigrants in Canada. Japan has herself strict immigration laws. But, naturally, the Japanese appreciated Canada's method of restricting immigration

from Japan by mutual agreement, rather than by brusquely lumping the nations of the Far East together under one sweeping net of 'Oriental exclusion'."

The Toronto MAIL AND EMPIRE of the 15th instant prints an editorial distinctly favorable to the Japanese point of view and states that

"Japan's warships defended Canada's Pacific Coast during the Great War until the German raiders were run down by the British Navy. That is a service not easily forgotten."

Commenting on the recent Japanese reply to the United States, the MAIL AND EMPIRE continues with the following pompous utterance:

"The British Government has accepted the pledge of Japan to maintain an open door and equal opportunity for all nations in Manchuria, and has refused to follow the protest of the United States addressed to Tokyo. In her foreign relations Britain is always enlightened and generally right."

The Toronto GLOBE of the 9th instant prints an editorial in regard to the Japanese reply mentioned above. This latter paper does not hesitate for a moment: it is for the Japanese cause and against the position taken by the United States. Commenting on the paragraph of the American note where it is stated that the American Government "cannot admit the legality of any situation de facto" the GLOBE says:

"It is possible that an attempt by the United States to insist on the above stupid stipulation will delay indefinitely a just and final solution of the Manchurian deadlock."

and commenting on the reported suggestion of Mr. Eugene Chen that Japan be given control of southern Manchuria in return for adequate considerations, the editorial says:

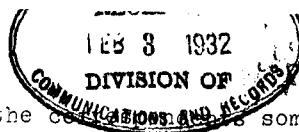


DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

"If the Governments of Japan and China can come to terms on such a basis, what right has the United States, or any other outside power to object? ..... she (the United States) goes beyond her rights when she tells China and Japan that they cannot settle their own differences in their own way."

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

SINO-JAPANESE CONFLICT



Press  
Release  
1/28/32

743/2411  
The Secretary recently gave the communications and records some historical data on the port and city of Shanghai and explained how it grew out of the old treaties which began in 1842. The Secretary then said he thought it worthwhile to repeat part of that background information. In Shanghai there is a native city which is purely Chinese; there is also an international settlement which grew out of permits to America and to Great Britain and which have since evolved into an international city with a municipal board in control of it. The municipal board is elected by the inhabitants of the international settlement. There is also a French concession in Shanghai.

793.94/3979

The news which came in this morning concerns the occupation of the Chapei portion of the native city which is quite a long way from the Whangpoo River and behind the international settlement. The Chapei district is not the crowded so-

-2-

called native city which is down on the waterfront where the Chinese population is packed in very thickly and where military work would be unusually difficult. The occupation is apparently around and behind Chapei. In order to understand the situation it should be remembered that under international practice any nation has a right to land forces, as we have often done, to protect its nationals and their property. The condition precedent, under international practice, for such an occupation is when the local authorities have shown themselves unable to give requisite protection. That appears to be the general principle under which Japan seems to be acting in this situation, so far as we have been informed from the news items. In such a situation as this the first self-evident thing which we would be interested in would be to see that Japan's action is limited to such places where Japan was not being given the requisite protection and, if possible, to prevent the damages and danger that would come through an occupation of the international settlement, which is the settlement where we are directly interested. It is therefore the natural aim of any government like ours, or any one interested in the international settlement, to see that no landing takes place unless it is perfectly clear that the international authorities are not giving the protection to Japanese nationals and Japanese property. The international settlement has a very good police force and in that very important respect is, on its own face, different from the ordinary localities in China where such a police force does not exist. Therefore, the normal thing for this country to do is to see that this difference is understood and to see, if possible, that no landing should take place unless it should be really called for by a failure of the municipal authorities to furnish the requisite protection. According to despatches there does not seem to have been any failure on the part of the international authorities to provide this

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protection. The above is the first situation in which this country might be interested.

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The second one is a rather more remote one because the only suggestions in that direction have been in the press. The Secretary then, FOR BACKGROUND ONLY, referred to the suggestions that a blockade was in contemplation. A blockade would be unlikely because a blockade is a war measure. Japan could not blockade China without violating international law unless a state of war should exist and war has not yet been declared. There have been certain occasions in history for what countries have called a pacific blockade. In the notable case in regard to Venezuela, where the question came up with us, the British and the Germans were threatening a pacific blockade of Venezuela and we protested that no pacific blockade could apply to our ships under international law. A pacific blockade could apply only to the ships of the country against which it was intended and those two countries at that time refrained from a pacific blockade. So long as the present situation exists no blockade under international law could be made which applied to American ships in Shanghai without making the nation which enforced it responsible, under international law, to us for the damages to our shipping. Mr. Stimson here said that he was explaining this situation merely because he had seen in the press reports that such action was being contemplated and that he did not want any inflammatory reports to get under way because he thought such a blockade unlikely.

A correspondent said that, according to press despatches from Tokyo, the Foreign Office has announced that it has received a request from the American Government for information as to Japan's intentions in Shanghai. The Foreign Office also said there was no intention on the part of the Japanese to aggravate the situation in Shanghai. The Secretary, in reply, confirmed the report of our request for information and

-4-

added that the alleged reply had not been received. Asked if our communication was only a request for information, Mr. Stimson said that was the general tenor of the situation but that he would not discuss it any further. A correspondent here said that the Japanese Foreign Office would probably give out the text of the American request for information and that such action would prove to be very embarrassing for the correspondents who cover the State Department. Mr. Stimson replied that he was very sorry but there was nothing he could do about it at this time.

The Secretary then read the following press release which is based on a telegram from the American Consul General at Shanghai, Mr. Edwin S. Cunningham:

"The American Consul General at Shanghai, Mr. Edwin S. Cunningham, reported to the Department of State at noon January 28 that the Defense Committee decided this morning to ask the Municipal Council to declare from 4 o'clock this afternoon a state of emergency. The Council was expected to convene at 12 o'clock for this purpose.

"Consul General Cunningham reported that the Japanese flagship was anchored on the night of January 27th in front of the Japanese Consulate. At 8:30 on the morning of January 28 a bomb was thrown, presumably intended for the Japanese Consul General. It exploded at the corner of the Japanese Consulate property."

A correspondent asked NOT FOR BACKGROUND if there was any truth in the persistent reports that we have asked Great Britain to cooperate with us in some military way in Shanghai. Mr. Stimson replied that the phrasing of the question made it impossible for him to answer it.

A correspondent then asked if the police force of Shanghai was functioning adequately in 1927 when we sent our marines to that place. The Secretary then explained that when we sent our marines there in 1927 the situation was a very different one from that which now exists. In 1927, China was growing into two great contending factions which were at war and the southern faction was marching towards Shanghai. The evident danger that

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they would attack it caused all the powers interested in the international settlement to land forces, not for the purpose of maintaining internal order in the International Settlement at Shanghai, but for the purpose of defending that settlement from outside attack.

A correspondent asked if the Secretary late last night or after the Department closed yesterday consulted with the British Ambassador at Woodley. Mr. Stimson declined to answer the question.

A correspondent asked if there was any information available which would show that the Japanese occupation of the entire native city would be justified. The Secretary, in reply, said he had no information on that subject.

A correspondent referred to the background statement to the effect that one of the principal aims of the United States is to see that no landing occurs in the International Settlement. The Secretary corrected the correspondent by saying that one of the principal interests of the United States which would naturally be thought of in this situation would be to see that the International Settlement is kept free from military occupation as long as possible.

Also FOR BACKGROUND the Secretary said it was necessary to remember that this whole situation forms a great port in which there are very strong interests and rights of a great many nations. The territory which is included in that port is a wide area which would include all of these things and there is arising out of that situation, quite apart from the narrow rules of international law concerning the landing of troops, an international flavor to the port of Shanghai which would well make any nation go rather carefully. The interests or rights of other nations would not be only directly but indirectly affected in the Settlement and in the entire port of Shanghai. That is not a matter of international law but a matter of general in-

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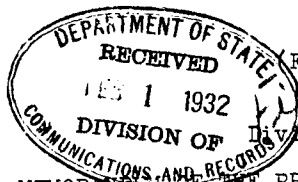
terest and it is being referred to because it is a little uncertain in international practice how far that international flavor has ripened into customs and rights which should be protected. A correspondent asked how far the nations had gone in regard to their abstract rights and in regard to their other rights. The Secretary in reply said the question was a most difficult one because it had not been settled. Also FOR BACKGROUND the Secretary said that he had heard well-trained lawyers argue that Shanghai, being such an international port which had arisen within China, the entire port has such an international flavor that it would not be subject at all to the right of blockade. Mr. Stimson here said that he did not assert that himself because the question has not been settled, as far as he knows. That is the situation which exists and which must be taken into consideration by the Japanese, by ourselves, or by any other nation thinking of protecting its rights.

A correspondent said that by the application of the practice of international law he understood that the emphasis of our concern has been placed more on our national interests rather than our international. FOR BACKGROUND, the Secretary said that the primary interest which we would naturally have is the interest of this country and that when he spoke of the international port in the sense that he has spoken today he was speaking of our interest in it and of nothing else.

A correspondent asked if, in view of the situation in China, the Secretary contemplated a change in his plans to go to Geneva. The Secretary in reply said that if he said no it might simply mean that his plans were so inchoate that he would see no reason for making any changes therein.

M. J. McDermott.

793.94



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(FOR DEPARTMENTAL USE ONLY)

Department of State  
Division of Current Information

MEMORANDUM FOR THE PRESS CONFERENCE, WEDNESDAY, JANUARY 27, 1932.

ETHIOPIA

At the press conference this afternoon Secretary Stimson announced the receipt of a telegram dated January 26 in which Mr. Addison E. Southard, Minister Resident at Addis Ababa, reported that three of the police who attacked him on January 17 were found guilty and each sentenced to a year's imprisonment and to pay a fine. The authorities also told Mr. Southard that a public announcement of the sentences would be made at the place where the attack occurred. Mr. Southard also reported that the Minister for Foreign Affairs had called on him to offer an apology on behalf of the Emperor who is convalescing from a recent illness.

CHINA

Mr. Stimson also announced the release of a telegram from Mr. Nelson T. Johnson, American Minister to China, wherein Mr. Johnson reported that the Chinese Ministry for Foreign Affairs in a note dated January 25 had said that it had telegraphed the Hupeh and Hunan provincial governments asking them to instruct those under their control to effect the rescue of Mr. Charles Baker, who was captured by bandits on January 16, and to escort him out of danger.

EL SALVADOR

The Secretary said that the American Chargé d'Affaires at San Salvador, Mr. William J. McCafferty, had reported that there was a noticeable improvement in the situation in El Salvador. Mr. McCafferty also reported that the destroyers WICKS and PHILIPPS arrived yesterday at La Libertad.

FRANCE

The Secretary announced the issuance of a press release

793.94/3980

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concerning the French quota system on radio instruments and supplies. A correspondent asked if any representations had been made to the French Government concerning the matter. The Secretary, in reply, said the matter was in the hands of our Ambassador in Paris who will use his discretion.

SINO-JAPANESE CONFLICTS

A correspondent said that there were stories last night to the effect that the United States and Great Britain intended to pool their naval forces to stop the encroachment and inroads of Japan into China. The Secretary replied that, so far as he knew, the story did not come from any one in the State Department. He said, furthermore, that the only thing he could say today about Shanghai is that the Department is studying the situation. Asked if he expected to be able to make some statement later in the day, the Secretary said he had no present expectation of being able to do so but that he would give the correspondents as much news as possible as promptly as possible after its receipt. A correspondent asked if the Secretary had been informed of the latest Japanese ultimatum to the Chinese at Shanghai. He added that it would be very helpful in his writings for the morning newspapers to know something about the American attitude. The Secretary replied that he was very sorry that he was unable to help the correspondent. A correspondent then asked if the Secretary would care to deny the report that Great Britain and the United States were contemplating the pooling of their naval forces. Mr. Stimson, in reply, said there was no truth in the report that such a story was given out here and that the State Department is not responsible for the story in question. Asked if the United States will be represented in any special way at the Meeting of the Council of the League of Nations in Geneva regarding the Sino-Japanese conflict, the Secretary said that no such suggestion had been made and that he had

-3-

no idea that anything would come up which would require it.

A correspondent said there was a despatch to the effect that the British Government was taking serious cognizance of the situation at Shanghai, as a result of the conversation between Secretary Stimson and Sir Ronald Lindsay, the British Ambassador at Washington. The Secretary again declined to discuss the situation in Shanghai. Asked if the Department of State had been advised of the contents of the note which Great Britain is supposed to have sent to Japan, the Secretary declined to answer.

AMBASSADOR EDGE

A correspondent said he understood that our Ambassador to France, Mr. Edge, was en route to the United States and asked if Mr. Edge was resigning. Mr. Stimson in reply said he thought Mr. Edge was coming home on leave of absence.

M.J. McDermott.



(NOT FOR THE PRESS)  
FOR DEPARTMENTAL USE ONLY)

Department of State  
Division of Current Information

MEMORANDUM OF THE PRESS CONFERENCE, THURSDAY, JANUARY 14, 1932

At the press conference this morning Under Secretary Castle announced the release of a telegram concerning the case of Consul Culver B. Chamberlain.

SINO-JAPANESE SITUATION

With regard to the note received from China, the Under Secretary said it would be given out just as soon as we received word from China that they have released it, because we do not give out notes from other governments unless they are going to give them out themselves. The Under Secretary said he thought the Chinese intended to release it.

A correspondent referred to a statement which appeared in the press by Eugene Chen to the effect that China should invoke the article of the League Covenant declaring economic sanctions on Japan and proposing that the United States lead such action in invoking the article and enquired whether any such representations had been received from China. The Under Secretary replied in the negative. A correspondent asked if such a suggestion was made in the Chinese note. The Acting Secretary replied in the negative.

A correspondent said he understood that The Netherlands Minister had brought to the Department some communication from his Government concerning Secretary Stimson's note to China and Japan on Manchuria. Mr. Castle agreed and added that he did not know whether the note was to be given to the press by the Minister of his Government, but the Minister sent it around to Mr. Castle's house Tuesday evening and explained that he did so in order that Mr. Castle might see it before it appeared in the press. The correspondent said there were very brief despatches from The Hague summarizing what was supposed

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



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Department of State  
Division of Current Information

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to be the attitude of the Government, but no text was published. The Under Secretary said he would ask the Minister if he wanted to give it out here.

A correspondent enquired whether any similar communications had been received from any other governments. Mr. Castle replied in the negative.

A correspondent enquired whether a reply had been received from Japan. Mr. Castle replied in the negative. Another correspondent observed that a despatch from Tokyo stated the Japanese reply would be given to Ambassador Forbes today. Mr. Castle, in reply, said that seemed to be rather likely. Mr. Yoshizawa was to arrive in Tokyo this morning and presumably a note of that sort would be signed by the Foreign Minister.

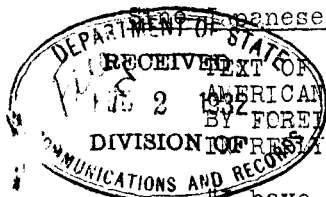
#### FRANCE

A correspondent referred to reports in the morning newspapers to the effect that M. Tardieu was appointed Minister of War of France and would represent France as chief of the delegation at Geneva and enquired, not for attribution, but for background, if the Under Secretary thought that was going to make the French position at Geneva even stronger than it would have been otherwise. He explained that he used "stronger" in the sense of not conceding anything. The Under Secretary said he did not think so. The correspondent asked if M. Tardieu had not always been an outstanding Nationalist. Mr. Castle replied that M. Tardieu was certainly not a Radical Socialist, but he did not think he had been any more of a Nationalist than M. Laval, for example. Mr. Castle said he understood M. Laval would probably go to Geneva as head of the delegation, but would not stay very long, because he could not. In the same way it is doubtful if the entire British Cabinet will stay very long at Geneva.

DEPARTMENT OF STATE

FOR THE PRESS

JANUARY 16, 1932



Japanese Situation

RECEIVED  
JAN 21 1932  
DIVISION OF COMMUNICATIONS AND RECORDS  
TEXT OF NOTE OF THE JAPANESE GOVERNMENT HANDED TO THE AMERICAN AMBASSADOR AT TOKYO, MR. W. CAMERON FORBES, BY FOREIGN MINISTER YOSHIKAWA OF JAPAN ON JANUARY 16 TO THE AMERICAN GOVERNMENT'S NOTE OF JANUARY 8, 1932

I have the honor to acknowledge the receipt of Your Excellency's note dated the eighth January, which has had the most careful attention of this Government.

793.94  
"The Government of Japan were well aware that the Government of the United States could always be relied on to do everything in their power to support Japan's efforts to secure the full and complete fulfillment in every detail of the Treaties of Washington and the Kellogg Treaty for the Outlawry of War. They are glad to receive this additional assurance of the fact.

"As regards the question which Your Excellency specifically mentions of the policy of the so-called 'open door', the Japanese Government, as has so often been stated, regard that policy as a cardinal feature of the politics of the Far East, and only regrets that its effectiveness is so seriously diminished by the unsettled conditions which prevail throughout China. In so far as they can secure it, the policy of the open door will always be maintained in Manchuria, as in China proper.

"They take note of the statement by the Government of the United States that the latter cannot admit the legality of matters which might impair the treaty rights of the United States or its citizens or which might be brought about by means contrary to the Treaty of 27 August 1928. It might be the subject of an academic doubt, whether in a given case the impropriety of means necessarily and always avoids the ends secured, but as Japan has no intention of adopting improper means, that question does not practically arise.

"It may be added that the treaties which relate to China must necessarily be applied with due regard to the state of affairs from time to time prevailing in that country, and that the present unsettled and distracted state of China is not what was in the contemplation of the high contracting parties at the time of the Treaty of Washington. It was certainly not satisfactory then: but it did not display that disunion and those antagonisms which it does today. This cannot affect the binding character of the stipulations of treaties: but it may in material respects modify their application, since they must necessarily be applied with reference to the state of facts as they exist.

"My Government desires further to point out that any replacement which has occurred in the personnel of the administration of Manchuria has been the necessary act of the local population. Even in cases of hostile occupation - which this was not - it is customary for the local officials to remain in the exercise of their functions. In the present case they for the most part fled or resigned: it was their own behaviour which was calculated to destroy the working of the apparatus of government. The Japanese Government cannot think that the Chinese people, unlike all others, are destitute of the power of self determination and of organizing themselves in order to secure civilized conditions when deserted by the existing officials.

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JAN 16 1932

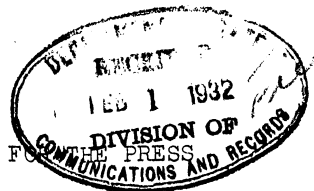
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

-2-

"While it need not be repeated that Japan entertains in Manchuria no territorial aims or ambitions, yet, as Your Excellency knows, the welfare and safety of Manchuria and its accessibility for general trade are matters of the deepest interest and of quite extraordinary importance to the Japanese people. That the American Government are always alive to the exigencies of Far Eastern questions has already been made evident on more than one occasion. At the present juncture, when the very existence of our national policy is involved, it is agreeable to be assured that the American Government are devoting in a friendly spirit such sedulous care to the correct appreciation of the situation.

"I shall be obliged if Your Excellency will transmit this communication to your Government, and I avail myself, et cetera."

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DEPARTMENT OF STATE

JANUARY 31, 1932

793.94  
The American Minister to China, Mr. Nelson T. Johnson, left Peiping for Nanking on the morning of January 31st.

The American Consul General at Shanghai, Mr. Edwin S. Cunningham, reported to the Department of State at 7 p.m., January 30th, to the following effect:

Firing continued intermittently all day and the night of January 29th.

On January 30th Japanese airplanes bombed the Chinese Press Building on the Paoshan Road, the North Railway Station and other places in the vicinity.

A bomb was dropped in the French Concession near the former Walled City.

A bomb dropped January 29th through the roof of a three story building of property of the Methodist Episcopal Church South. At the time the bomb was dropped a Japanese airplane was overhead, and the consensus of opinion was that the bomb came from the airplane. No Americans or Chinese were injured by the explosion of the bomb. The Methodist Episcopal Church South has title to a compound containing Soochow University Law School, Middle School and other buildings.

About midnight of the 29th a crowd of Japanese vigilantes wearing armbands, together with armed Japanese marines, entered the American Law School, which is the law school of the Soochow University, an American Missionary institution. This school is on the Quinsan Road in the International Settlement. They were ostensibly searching for arms. Some damage was done to furniture and fixtures. This school and the Soochow University Middle School were then sealed by Japanese military. Other similar instances are reported, some causing considerable damage.

Consul General Cunningham reported at 6 p.m., January 31st, that representations were being made to the Japanese Consul General.

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The American Consul General at Nanking has suggested to the Commander of the destroyer SIMPSON that one destroyer be stationed at Wuhu where 50 Americans reside with others in the interior and one additional ship at Nanking where resident Americans number approximately 180.

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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



FOR THE PRESS

February 1, 1932.

Sino-Japanese Conflict

With reference to the movement of American ships and troops to Shanghai, these movements are solely for the protection of American lives and property and for fulfilling our responsibilities to American citizens at Shanghai and other exposed ports in the Yangtze and elsewhere in China.

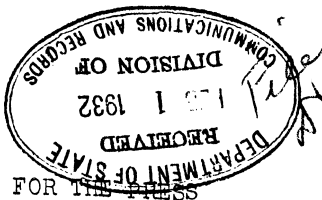
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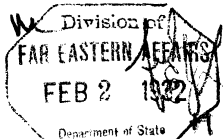
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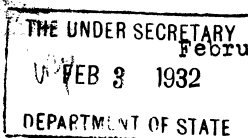
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75



CHINESE LEGATION  
WASHINGTON



My dear Dr. Hornbeck:

I wish to enclose to you for the information of the State Department three copies of a cablegram which has just been received.

Yours sincerely,

*Haukhling Yen*  
Chargé d'Affaires ad interim.

Enclosure:

Copy of cablegram  
as above.

Dr. Stanley K. Hornbeck  
Chief of the Far Eastern Division  
Department of State

FEB 8 1932

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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

CABLEGRAM FROM THE MINISTRY OF FOREIGN AFFAIRS,  
NANKING, DATED FEBRUARY 2, 1932.

Received by the Chinese Legation, Washington, February 2, 1932.

The Japanese warships at Shiakwen, Nanking, on February 1, at 11 o'clock p.m., suddenly bombarded Nanking without warning. Eight shots were fired and by the use of searchlights, they made several hits on the Lion Hill Forts, Shiakwen Railway Station, Pei-Chi-Ko, Tsin-Lian-Shan, and Mo-Fu-Shan. In the meantime, machine guns and rifles were also brought to action by the Japanese. This was continued until after midnight, when firing ceased. Desirous to avoid collision, the Chinese troops refrained from returning fire.

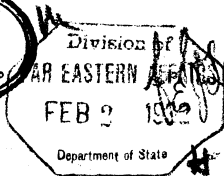
At this juncture when the Chinese nationals are in high indignation against the Shanghai ruthless attacks perpetrated by the Japanese, in defiance of the decision of the League of Nations, the Nine Power Treaty, and the Kellogg Pact, the Japanese, to aggravate the situation, again bombarded the Chinese National capital without any provocation.

494.93 The Chinese National Government has made to the Japanese a solemn protest and reserved all rights for appropriate demands in future.

Chinese Legation,

Washington, February 2, 1932.

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



CHINESE LEGATION  
WASHINGTON

February 2, 1932.

FEB 2 - 1932

My dear Dr. Hornbeck:

SECRETARY'S OFFICE

I wish to enclose to you for the information of the State Department three copies of a cablegram which has just been received.

Yours sincerely,

*Hawking Yen*

Charge d'Affaires ad interim.

Enclosure:

Copy of cablegram  
as above.

Dr. Stanley K. Hornbeck  
Chief of the Far Eastern Division  
Department of State

F/LS 793.94/3987

RECEIVED  
FEB 5 1932

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

CABLEGRAM FROM THE MINISTRY OF FOREIGN AFFAIRS  
NANKING, DATED FEBRUARY 1, 1932.

Received by the Chinese Legation, Washington, February 1, 1932.

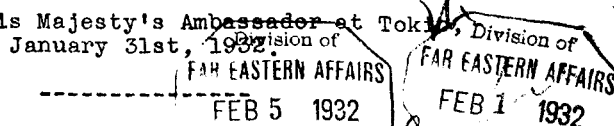
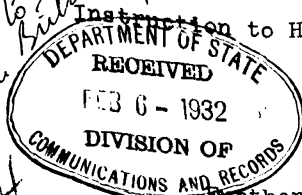
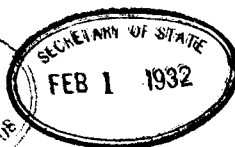
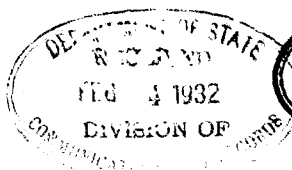
Information has been received that the foreign press has been circulating freely that the Chinese National Government is preparing to declare war upon Japan. Such reports are entirely groundless. China has not declared war upon Japan, but is only exercising her right for self-preservation and of her sovereignty. While Japan has been relentlessly pursuing her policy of violence and aggression, China faithfully adheres to her obligation she has assumed under Covenant, Paris Pact and Nine Power Treaty. In face of persistent and merciless attack from the Japanese, the Chinese Government has been compelled to adopt necessary measures for self-defense. So long as the Japanese forces refrain from violent and aggressive acts against China, the Chinese Government will not take any action hostile to them.

Chinese Legation,

Washington, February 2, 1932.

159

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



Handed to Mr. Castle  
by the British Ambassador  
Feb. 1, 1932

793.94  
note  
893/028

F/LS  
793.94/3988

Instruction to His Majesty's Ambassador at Tokyo, Division of  
January 31st, 1932  
Further and detailed communications received  
from Shanghai make it clear that situation of utmost  
peril to entire and very large foreign community has  
been created. For this Japanese authorities are mainly  
responsible both by their original action and their  
persistence, in spite of assurances to the contrary, in  
using International Settlement as a base of hostilities.  
This is not only manifest misuse of international area  
but exposes citizens of all nationalities to dangers of  
bombardment, street fighting, and possible Chinese counter  
attack. The first two seem indeed to be already occurring.

His Majesty's Government have arranged with  
utmost urgency for despatch of reinforcements to Shanghai  
for sole purpose of protecting their subjects and foreign  
community generally from very grave danger to life and  
property to which these unoffending people have been most  
unjustifiably - indeed in the view of His Majesty's Govern-  
ment wantonly - exposed. We have thus been brought within  
measurable distance of an immense catastrophe and I cannot  
conceal from you nor should you conceal from Japanese  
Government that this is rousing both apprehension and  
indignation in this country which is only too likely  
to become more manifest during coming week. This is  
reason, if further reason were needed, why His Majesty's  
Government must again urge Japanese Government with utmost  
earnestness/

FILED  
FEB 6 1932

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

earnestness to do what lies in and upon them to remedy  
this situation and in particular by effectively imple-  
menting assurances already given to you.

=====

It is hoped that the United States Government  
may be able to telegraph similar instructions to their  
Ambassador at Tokio, and the French and Italian Governments  
are being invited to take the same action.

February 1. 1932



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

CJH

# TELEGRAM RECEIVED

GRAY

LONDON

FROM

Dated February 5, 1932

Rec'd. 9:28 p.m.

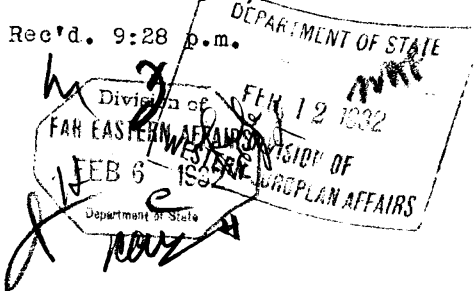
Secretary of State,  
Washington.

53, February 5, 11 p.m.

FOR THE SECRETARY.

In conversation with Van Sittart transmitting the substance of your telephone conversation this afternoon it appeared that your views and those of Sir John Simon were in reality not very dissimilar. Accordingly we have framed the note herinafter quoted which Foreign Office is also telegraphing to Sir John at Geneva with the possibility it may form the basis of an exchange of views between yourself and him. Vansittart's suggestion is that should something approximating this note meet with your approval and Sir John's, it should form the basis of an identic note from the four Powers to the Japanese Government and subsequently be made public. The text is as follows:

"On the request of the Chinese and Japanese Governments for good offices, the American, British, French and Italian Governments suggested the steps which they believed



FEB 15 1932

FILED

CJH

Page 2 - #53 from London.

believed would not only terminate the critical situation at Shanghai but would ultimately set in course of solution the unhappy controversy between China and Japan out of which this situation has directly grown. The essence of this situation lay in the proposal for an immediate cessation of hostilities on the part of both China and Japan and the avoidance of further sacrifice of life..

The four governments are grievously disappointed that while China has accepted unconditionally, Japan has not only declined but has sent troops to Shanghai which, unless every precaution including the institution of immediate negotiations is used, must tend to widen the conflict and intensify the dangers already so manifest.

793.94-  
Commission  
The Commission of Inquiry set up under the League of Nations is, however, on its way. It will be borne in mind that the commission was appointed with the assent of Japan and that its scope was at the request of Japan enlarged to cover such areas as Shanghai. Since the good offices of this Commission are available to both Japan and China, the four governments anticipate that the Chinese and Japanese governments will urgently invoke its assistance to solve the grave dangers of the present situation.

As regards the first three paragraphs of the  
Japanese

CJH

Page 3 - #53 from London.

Japanese reply, the Commission of Inquiry is being informed that the Chinese have accepted without reservation the proposals of the four governments who confidently assume that the Japanese Government will modify its attitude accordingly and will instruct its representatives on the spot to be most moderate and conciliatory".

Sir John Simon will reach Geneva the morning of February 6 at 9 o'clock Geneva time.

ATHERTON

FW

OX

TELEGRAM RECEIVED

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

MET

FROM

GRAY

Tokio

Dated February 6, 1932

Secretary of State,  
Washington

44, February 6, noon.

Department's 41, February 5, 6 p.m. The following  
is Embassy's translation omitting heading, et cetera.

"I have the honor to acknowledge the receipt of  
your note number 208 on February 2, 1932 transmitting  
by instruction of your government proposals in regard  
to the Shanghai affair and to state in reply the views  
of the Japanese Government in regard to these proposals.

One. It is that the Chinese troops cease immediately  
and completely their challenging and disturbing activities.  
If this can be assured, the Japanese troops will also  
cease warlike activities. If, on the contrary, the  
Chinese (irrespective of whether they be regular or plain  
clothes troops) continue these challenging and disturbing  
activities, the Japanese forces reserve complete freedom  
of action.

Two.

793.94  
note  
893.1028

793.94119

F/LS

793.94/3990

Rec'd 3:22 a.m.  
Division of  
FAR EASTERN AFFAIRS  
FEB 6 1932  
Department of State

MET

2-#44 from Tokio, February 6,  
noon

Two. In view of the unreliable actions of the Chinese troops and of the gravity of the situation, the Japanese Government is unable to cease mobilization and preparation for hostilities.

Three. The Japanese Government has no objection to its Consul and Commander entering into negotiations for arranging for separation of Japanese and Chinese forces, and, in case of necessity, for the establishment of a neutral zone in the Chapei District.

Four. Assuming that the Manchuria affair is included in "all outstanding controversies between the two nations", the Japanese Government is unable to accede to this proposal, because not only is the Manchuria affair distinctly a separate affair, but also because this matter was covered by the resolution of the League Council at the meeting on December 10th. Furthermore, it is the Japanese Government's fixed policy to refuse to accept the assistance of observers of a third country or of participants, in the settlement of the Manchuria affair.

I avail myself, et cetera".

JS.

FORBES

PAUL CLAUDEL  
AMBASSADEUR DE FRANCE

*avec les compliments*

WASHINGTON

RECEIVED

FEB 1 - 1932

SECRETARY'S OFFICE

Division of  
FAR EASTERN AFFAIRS  
FEB 2 1932  
Department of State

SECRETARY OF STATE  
FEB 2 1932

On January 28th, the British Ambassador in Paris called upon M. Laval, Prime Minister and Minister of Foreign Affairs, to inform him that the Japanese Ambassador in London had let the British Secretary for Foreign Affairs know that very likely the Japanese would have to suppress anti-Japanese movement by the Chinese in the International Settlement. Sir William Tyrel informed M. Laval that his Government was sending representations to Tokyo and requested that instructions be sent to the French Ambassador in Japan to join in his British colleague's protest.

M. Laval replied that the French Government thought that it was most important to maintain in the International Settlement the solidarity of the interested powers, solidarity which finds its <sup>expression</sup> ~~impression~~ and its organism of execution in the consular body and that it was equally important to maintain order by the normal action of the police completed by military forces of defense acting according to the decisions adopted in common by the commanding officers of the various international troops.

Although the Japanese Ambassador in Paris had not taken, up to that date, the same step as the one taken by his colleague in London, instructions were sent by the French Government to the French Ambassador in Tokyo <sup>for the purpose</sup> ~~in view~~ of advising the Japanese Government to proceed with moderation and of pointing out the importance that the French Government attached to the international character of the International Settlement of Shanghai and of its means of defense.

On ....

793.94  
m  
893.1028  
75/94  
393/81  
151/293

F/L/S  
793.94/3  
FILED  
FEB 8 1932

RECEIVED

FEB 1 - 1932

SECRETARY'S OFFICE

Division of  
FAR EASTERN AFFAIRS

FEB 2 1932

Department of State

SECRETARY OF STATE

FEB 2 1932

793.94  
m  
897.1028  
751/94  
293.81  
151/392

On January 28th, the British Ambassador in Paris called upon M. Laval, Prime Minister and Minister of Foreign Affairs, to inform him that the Japanese Ambassador in London had let the British Secretary for Foreign Affairs know that very likely the Japanese would have to suppress anti-Japanese movement by the Chinese in the International Settlement. Sir William Tyrel informed M. Laval that his Government was sending representations to Tokyo and requested that instructions be sent to the French Ambassador in Japan to join in his British colleague's protest.

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On ....

On January 31st, the British Ambassador in Paris called again upon the Minister for Foreign Affairs to inform him that his Government, having learned that the Japanese were continuing to use the international concession for their offensive and defensive organization, new instructions had been sent to the British Ambassador in Tokyo to formulate a very energetic protest. The British Government was asking the French Government to send similar instructions to the French Ambassador. The latter was instructed immediately to the effect that if necessary the point of view of the French Government, as outlined before, should be clearly repeated to the Japanese Minister for Foreign Affairs.

The attention of the French Government having been called upon rumours circulated in some American newspapers and according to which the French Government was backing the Japanese Government in exchange of the latter's support at the Disarmament Conference, the French Foreign Office sent a strong denial to the French Embassy in Washington, saying that such rumours are absolutely without the slightest foundation. It is equally false that the French Government has ever given to the Japanese permission to enter the French concession. The French authorities, with the aid of the usual police forces reinforced by French troops are maintaining order in the French concession and protecting the inhabitants without any distinction of nationality. Such defense of the French concession constitutes the main participation of the French Government to the defense of the International Settlement. Furthermore French authorities are giving their intimate cooperation in the consular body of Shanghai <sup>and</sup> ~~and~~ <sup>the</sup> by means of deliberations

of ....

751.94  
393.51



16J

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

of the international body of commanding officers as to the decisions in view of the protection of the International Settlement.

85-1.3393

Besides, the French Ambassador was informed this morning that M. Laval had requested the Minister of the Navy to send the cruiser Waldeck Rousseau from Saigon to Shanghai, thus showing the interest that the French Government attaches to the international character of the International Settlement. /.

m FE

## TELEGRAM RECEIVED

cib

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

Tokyo

Dated February 6, 1932

Recd 11:37 p.m., 5th.

Secretary of State

Washington.

TRIPLE PRIORITY

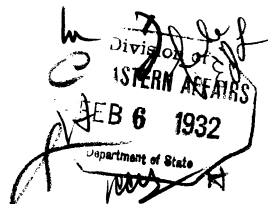
43, February 6, 11 a.m.

Certain developments of an encouraging nature  
have taken place in the last few hours that may enable  
us to telegraph shortly concrete suggestion for procedure  
in Shanghai affair. Suggest await further notice before  
developing new position.

FORBES.

FW.

F/LS 793.94/3992



CONFIDENTIAL FILE

FILED

FEB 12 1932

793.94  
note  
893.1025

TELEGRAM RECEIVED

cib

FROM

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

Tokyo

Dated February 6, 1932

Recd 6:17 a.m.

Secretary of State

Washington.

46, February 6, 2 p.m.

Referring to my 43, please regard this as  
absolutely confidential and secret.

FORBES.

Suggestions re Shanghai.

WSB

F/LS 793.94/3993

FEB 12 1932

TELEGRAM RECEIVED **COPIES SENT TO  
O.N.I. AND M.I.D.**

FROM

cib

GRAY

Nanking via NR

Dated February 5, 1932

Reed 2:30 a.m., 6th

Secretary of State

Washington.

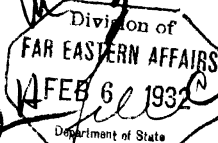
February 5, 10 p.m.

The French Minister has addressed to me a

formal note in which he states information has reached him from Paris and Washington to the effect that the so-called Hearst papers in the United States have printed a statement that Japanese troops had been authorized by the French Consul General at Shanghai to pass through the French concession. He explained categorically that not a single Japanese soldier or sailor had been permitted to enter the French concession and requests me to point out to my Government the serious consequences the spreading of such false reports may have for the safety of French nationals in China.

JOHNSON.

JS



F/LS 793.94/3994

FILED

793.94  
note  
811.911

751.94

TELEGRAM RECEIVED

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

cib

GRAY

FROM

Tokyo

Dated February 6, 1933

Recd 3:30 a.m.

Secretary of State

Washington.

45, February 6, 1 p.m.

The Tokyo ASAHI published a pacifically worded

editorial this morning advocating calmness at this time  
when there is a possibility of collision between Japanese  
and foreign marines at Shanghai or of bad action by non-  
combatants. The Tokyo CHUGAI'S editorial this morning  
dwelt at length on the question of military expenditures  
and contained veiled criticism of the military. This  
criticism although weak is interesting as being the first  
to appear editorially. The Tokyo Hoochi, which is a less  
important daily than the two above mentioned, commented  
in a rather disagreeable tone this morning on the recent  
proposals of the three powers. Opposing points two and  
five as unreasonable, it considers that Chinese acceptance  
of all the points shows the proposals to be one-sided. It  
states that the Japanese welcome mediation but must reject  
mediation

F/LS 793.94/3995

FILED

FEB 12 1933

793.94  
LTC  
892.1025

894.20

MET

2-#45 from Tokyo, February 6,  
1 p.m.

mediation that is unreasonable and irrational.

There was no other editorial comment in the more  
reputable press.

FORBES

JS

FE

# TELEGRAM RECEIVED

REP

FROM

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

TOKIO

Dated February 6, 1932

Rec'd 8:55 a. m.

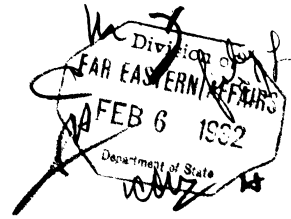
Secretary of State,  
Washington.

48, February 6, 8 p. m.

Referring to my telegram No. 43, February 6, 11 a. m.,  
see matter contained in my telegram No. 47, February 6,  
7 p. m., in gray cipher.

FORBES

HPD



F/LS 793.94/3996

FILED  
FEB 12 1932

TELEGRAM RECEIVED

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

REP

FROM

GRAY

Peiping via N. R.

Dated February 6, 1932

Rec'd 2:30 a. m.

Secretary of State,  
Washington.

201, February 6, 11 a. m.

Legation's 197, February 5, 12 p. m.

Hanson reports that Japanese troops entered southern suburbs and (?) of Harbin February 5, 1 p. m., and that Chinese troops are retreating in disorder some looting occurring in Fuchiatien. Acting Commissioner of Foreign Affairs has requested Consular Corps to take some action. Soviet General Manager of the Chinese Eastern Railway has ordered all locomotives on Eastern Line to Pogramichnia for unknown reasons.

FOR THE MINISTER

PERKINS

WSB

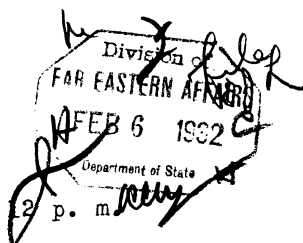
FEB 12 1932

FILED

F/LS 793.94/3997

793.94  
note  
893.10-2 Harbin

861.77 C. 2.





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

FE

TELEGRAM RECEIVED  
PLAIN

MET

Peiping via N.R.

FROM

Dated February 6, 1932

Rec'd 4:45 a.m.

Secretary of State,

Washington

203, February 6, 1 p.m.

Following from Reuter, Tokyo, February fifth and sixth:

"An important statement explaining the despatch of Japanese troops to Shanghai which was to have been given out yesterday was postponed apparently due to the cabinet desiring to reconsider the exact numbers required possibly reducing the original estimate.

While details regarding the troops despatched are still banned the censorship has now been lifted to the extent of permitting mention of the despatch of troops.

It is officially explained that Mr. Shigemitsu argued that the matter be kept strictly secret temporarily he feared that the mention of it might induce the Chinese to launch a general offensive aiming to annihilate the blue-jackets who have already lost over ten per cent of their

numbers

793.94  
note  
893.1028

Division of  
FAR EASTERN AFFAIRS  
FEB 6 1932  
Department of State

793.94/3998

FILED  
FEB 11 1932

MET

2-#203 from Peiping via N.R.,  
February 6, 1 p.m.

numbers in casualties before the arrival of the reenforcements.

Officials here regret that embarrassment has thereby been caused to Mr. Debuchi who recently assured Colonel Stimson that no troops were being sent as the Japanese Government had purposely refrained from informing even its representatives abroad. In deciding to send reinforcements to Shanghai, Japanese had no other aim than to relieve the handful of bluejackets, who are worn out by continuous fighting against an enemy tenfold stronger, and to drive back the Chinese troops from the vicinity of the city. Japan has no intention to carry out anything in the nature of occupation or to menace British interests in the Yangtze Valley but she will withdraw her troops as quickly as possible or as soon as their immediate task is completed.

This declaration was made by the Navy Minister last night in a personal interview with Reuter's Tokyo correspondent.

He frankly admitted his anxiety lest the Japanese action in despatching troops might be misinterpreted abroad and he expressed the hope that the arrival of these forces

might

MET

3-#203 from Peiping via N.R.,  
February 6, 1 p.m.

might lead the Chinese to withdraw without further fighting.

The Minister asserted that even if fighting was unavoidable Britain might rest assured that the area of Japanese operations would be strictly limited.

Asked how far afield the operations might spread, the Minister intimated possibility twenty or thirty miles but certainly no farther.

He went on to say if Great Britain will only recognize that Japan regards the Shanghai trouble in an entirely different light from the Manchurian one, she will realize that there is no need to question Japan's intention. The Navy Minister then went on to say 'Manchuria is a matter of life and death to Japan. Shanghai is only a passing incident which we are anxious to close as soon as possible so that we may withdraw our troops from there'.

Expressing a belief that the situation would be bettered if General Chiang Kai Shek would replace the Cantonese troops of the Nineteenth Army with his own better disciplined forces the Minister said that he hoped that the possibility of future trouble in Shanghai might eventually be

removed

MET

4-#203 from Peiping via N.R.,  
February 6, 1 p.m.

removed permanently by an international agreement similar to that at Tientsin by which no Chinese troops would be allowed within a specified distance of the Settlement.

Concluding the interview the Navy Minister emphasized that the appointment of Admiral Nomura who has the reputation of being a statesman as well as a sailor as Commander of the Third Fleet ought to insure better cooperation and understanding while the commander of the military forces which are being sent is also a man with a sympathetic understanding of the British and other foreign points of view".

For the Minister,

JS

PERKINS

TELEGRAM RECEIVED

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

REP

FROM

GRAY

Shanghai via N. R.

Dated February 6, 1932

Rec'd 8:20 a. m.

Secretary of State,

Washington.

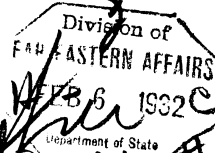
PRIORITY.

8, February 6, 5 p. m.

My telegram No. 5, February 5, 3 p. m.

At a Consular Body meeting today to carry into effect the agreement with the Japanese Consul General that a committee be appointed to inspect the prisoners held by the Japanese, committee of four was appointed. The Japanese Consul General stated that all prisoners would be turned over to Settlement authorities today or tomorrow morning.

Two. CONFIDENTIAL. The Japanese Consul General stated confidentially for my information that tomorrow a mixed brigade of Japanese troops would be disembarked in Shanghai and in a few days a second mixed brigade would land in China. Inquiry was made as to where the landing would be effected and he informed me at the Nippon Yusen Kaisha wharf which is within the Settlement. He was reminded of his statement the previous day to the full Consular Body meeting, reported in paragraph four



F/LS 793.94/3999

FILED

FEB 11 1932

793.94  
note  
893.1025

793.94114

REP

2- #8, from Shanghai, Feb. 6, 5 p.m.

four of my February 5, 7 p. m., and he simply waived it aside and stated that he was misinformed yesterday. My own impression is that the Japanese force have not made the advance that was anticipated they would have made by tomorrow. Would not be finished in 48 hours. He admitted last night that he was disappointed in the advance that had been made, therefore, it would be prolonged. This is believed to be the real reason for not landing outside the Settlement.

Repeated to Nanking, Legation and Tokyo for information.

CUNNINGHAM

WSB

MEMORANDUM OF TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN  
SECRETARY STIMSON AND SIR JOHN SIMON, AT GENEVA, ON  
SATURDAY, FEBRUARY 6, 1932, AT 2:30 P.M. Long Wave

SIR JOHN: Hello, is that you Mr. Stimson; Simon here, I am speaking from Geneva.

SECRETARY: Yes, I know that.

SIR JOHN: I want to say that the Council of the League today did not take up this Japanese-Chinese thing at all. They didn't deal with it at all. I think it was very wise because I think we need not get things more exciting but the grounds upon which they were prepared not to take it up was that the good offices of the four powers interested in the International Settlement were still available and that discussion might still be going on. I will express my own view to you before you tell me your view. I do think it is very desirable that we should keep on having this sort of discussion. I have just had the Japanese Ambassador here and he certainly takes that view. He is very definite in assuring me that what the Japanese are wanting to do in Shanghai is merely to help their marines and to clear up a dangerous situation for the whole Settlement and I hope that we may get assurances according to that. The Japanese Government will be prepared to discuss everything with us, together.

SECRETARY: Now, Sir John, I have quite a different view and I want to talk to you very frankly about it. However, I will tell you first what has happened. This morning I have had word from Tokyo from our Ambassador there who says that your Ambassador and the French Ambassador are communicating the same thing to their respective Governments. The substance of it is that the Japanese military, naval and Foreign Office authorities are trying to carry out a program involving

793.94/3999 1/2

Confidential File

- 2 -

involving an immediate cessation of hostilities in the Shanghai area. They are now ready to do that: cessation of hostilities; the creation of a neutral zone, but they are sending land forces to the extent of a division and a third of another division and they say that these land forces will replace the sailors in that portion of the region outside of the Settlement in Shanghai which is predominantly occupied by Japanese. They ask that this arrangement be carried out from Shanghai and be not given the appearance of having been forced by a pressure from Washington and London and the other places and by the local authorities at Shanghai and they ask that we authorize the local authorities at Shanghai, the Consuls General, to negotiate this. Well, in other words, they desire to save their face as much as possible.

SIR JOHN: Now that situation has a very good side.

SECRETARY: Yes, I think it has. It amounts to the carrying out of the first part of our program in part, so far as it saves the Japanese from a fight which they have been carrying on rather unsuccessfully and, on the other hand, from the benefit of the objective we are working for. It would save a large land operation which might involve a much greater sacrifice of life and might involve continued peril to the Settlement.

SIR JOHN: I am afraid

SECRETARY: It would have some advantages to us.

SIR JOHN: Because you mean we should not get involved?

SECRETARY: It would have the advantages of an immediate truce and it would avoid what we have been afraid of—that the Japanese were intending to land this force further down  
the



- 3 -

the River, march it over land and attack the Chinese in considerable force outside the Settlement, possibly driving them against our end of the Settlement. It would certainly avoid that if it was accomplished as they say they seek to do it now, namely, through a truce or an agreement with the Chinese.

SIR JOHN: They want us to help them to make a truce with the Chinese?

SECRETARY: Yes. My position is this. I have no objection to this being tried - a truce being worked out this way by the local authorities along the lines we have suggested - but I am unwilling to have it give any recognition to a permanent occupation by the Japanese.

SIR JOHN: I quite agree with you.

SECRETARY: The local authorities should be watched on that point and also on the point of preserving the open port during the future, which is involved now under many circumstances and operations, and they should also preserve the point we have already been insisting on, namely, that the International Settlement should not be used as a base of operations.

SIR JOHN: How do they propose to introduce their new forces?

SECRETARY: They propose, at present, to introduce them through the Settlement, but through the end of the Settlement known as Hongkew ---

SIR JOHN: To the north?

SECRETARY: No, to the east, the Japanese end. I consider that the question is largely a matter to be left with the local authorities. It might be good and it might be bad - that method. It might be good if it was arranged with the  
consent

- 4 -

consent of the Chinese for the purpose of replacing the present Japanese sailors. It would be bad if it was allowed to take the form of using the Settlement as a base for new operations. There is great danger that the Chinese would regard it in the latter light.

SIR JOHN: It is really additional troops.

SECRETARY: Yes, it is really additional troops, about twelve thousand additional troops; a division and a third. So far as I know they are only going to remove a small portion. They are likely to leave the larger portion there for an indefinite period. I want to say something more. I am willing and I proposed to instruct Mr. Cunningham, our Consul General, that he might go ahead to negotiate with the others on these lines if it came up, but I want to reserve our full rights in the following respects.

SIR JOHN: I think I will get this taken down.

SECRETARY: Provided that you agree.

SIR JOHN: I quite follow, and we must get the French and Italians, the Italians anyway.

SECRETARY: I don't want anything done which amounts to an approval of the past - what has been done in the past - what I mean is I want to reserve the right, after further consultation with you, to make a statement of our disapproval of what has taken place in the past in case after further conference or otherwise it appears desirable. Now, I want to say this about what you said in the beginning and about your answer which I received yesterday through London. My trouble with your suggestion about continuing the negotiations was that it took away from the moral disapproval that I  
thought

- 5 -

thought we should otherwise show. I don't think it is dignified to go on negotiating with Japan after she has refused the essence of our proposal. The essence of our proposal was that there should be a complete cessation of hostilities. China agreed unconditionally; Japan not only did not agree completely to that proposition but she has gone on sending in additional troops and the excuse for these additional troops is not satisfactory to my mind.

SIR JOHN: It increases the area of conflict.

SECRETARY: Yes and we all of us here felt very strongly that it was better to end up the correspondence between our countries and Japan by a simple statement to that effect, saying that we had offered a proposal that was fair, and that we all agreed to as fair, and that Japan had rejected it, while China had accepted it and we were sorry; that we would leave it at that point and not be going on with the suggestion about the Manchurian Commission to leave it open for a further snub from Japan. That was ---

SIR JOHN: Well, doesn't that come to this, the first part and the middle part of the draft which Atherton discussed was sent to you. If you have it before you it begins:

"For an immediate cessation of hostilities on the part of both China and Japan and avoidance of further sacrifice of life et cetera".

SECRETARY: You need not read it as I have it before me.

SIR JOHN: Only it seems to be very much in line with what you are saying.

SECRETARY: Oh, that is all right.

SIR JOHN: You agree to paragraph one?

SECRETARY: Yes. Now the part that ~~we~~ we are not in agreement on was the proposition that we should go on with

the

- 6 -

the further suggestion about the Commission of Inquiry set up under the League of Nations, and the reason was this.

Are you on?

SIR JOHN: I hear you very well.

SECRETARY: Our reason is this: the chief trouble is that it gives Japan a new proposal to refuse again. In this country we feel that we have gone to the extreme limit in making suggestions and that it is time to stop and leave her in the wrong.

SIR JOHN: Have in mind, Mr. Stimson, that we have got to keep something or other going and it greatly helps for the moment for some discussion with the Council of the League. How are you going to combine the two paragraphs that you agree with, with what you tell me first about Japan's plan?

SECRETARY: The two things are entirely separate. I was going to suspend all communication for the present. I was not going to send any draft until you got back to London or until after the truce had been arranged. Just let me explain a moment.

SIR JOHN: We did not formally declare there was a break, but you would not put forth any statement at the moment.

SECRETARY: The news which we have received from Tokyo this morning and the request which Japan has made supersedes any statement made today.

SIR JOHN: I think that is quite right. I have not yet received that message but I will get it, and then we should all be at one. Your idea is don't make any public statement; that there is nothing more that we can do. Wait until the truce is drawn up but guard yourself against encouragement to go into their truce and at the same time  
and

- 7 -

and at the proper time publish these two paragraphs we have been going over.

SECRETARY: Either that or some new version brought up to date.

SIR JOHN: I quite follow. For the moment Japan has requested that nothing in the shape of further representations be made from Washington or London to Tokyo; that Japan is making representations to us through the local authorities at Shanghai.

SECRETARY: I mean she is representing that these negotiations be carried out by the truce.

Well now, Sir John, let me try to make this clear. What I mean is this morning after we had prepared a reply to you on this paper that lies before you there came this new suggestion from Tokyo. The new suggestion involved a request that we keep silent while the truce was being arranged locally at Shanghai. Now, we are willing to do that temporarily to give them a chance to make a truce, provided the local authorities preserve the three points that I mentioned to you: no precedent for permanent occupation and the open port and no use of the Settlement as a base, but we also on our part want to have them to appraise the whole situation after they have made this effort at the truce and to see what we will do then in the way of a statement which will finally sum up our moral position before the world. That is what we will have to talk over with you later. Just let me say this. You naturally are concerned with your relations with the League in Geneva and you see the difficulties there. We are concerned with the public opinion of this country on the

moral

- 8 -

moral issue towards Japan and we have to preserve our freedom with respect to that and it is very serious. I believe that the whole movement by Japan, represented by this proposal this morning, has come because she has been beaten. She has found the whole public opinion of the world against her, particularly the solid alignment of Britain and America, followed by France and Italy. She has been unable to drive the Chinese forces out in the easy way she expected. All of that has brought her to a realization that she has bitten off more than she can chew.

SIR JOHN: Certainly her sailors---

SECRETARY: Her sailors have and the Government have, and the information which we get this morning is that the Government realizes that fact and they have had a serious crisis there. They have a monetary, a financial crisis on them. We don't want to give her any way out of the moral impasse that she has gotten into on the moral question of Shanghai by any tacit or express approval that can come out of any arrangement or anything ~~xxx~~ we may say in our notes to her. That in our opinion entirely overrides the importance of keeping in touch with her on those last two paragraphs of your note. I don't like the idea of trying to hang on to her coat tails in a discussion which she has already treated with scant respect.

SIR JOHN: That is how I feel about it. You say, quite truly, that I am looking at it from this end. Of course we must remember that the Council of the League is also rather affronted at the way Japan has behaved, and I think it is desirable that you and I should make the most of the opportunity

- 9 -

opportunity which has been created and shouldn't have a certain action taken by the Council of the League which might interfere with the proper settlement. Now I want to keep the Council of the League quiet. I told them today that I didn't think it was necessary for them to pass a resolution because the powers, America and ourselves and the others, were to make a declaration like you say, as all we desire is to get the fighting stopped and if this offer of Japan's is a means of getting that done, I agree with you altogether and I will give orders to our man and you can give orders to yours, but in the meantime agree that we won't publish anything, and we will leave the thing as it is with nothing said.

SECRETARY: I think, as I understand you, that is right. I think for the present we should keep quiet as to any reply to the Japanese note or the Japanese communication to us the other day.

SIR JOHN: Right, I agree with you.

SECRETARY: On their part, I hope the League will keep quiet with any inflammatory resolutions on their part, but I don't want anything done on the other hand which would imply approval either by the League or us of what has been done and, in the third place, I don't want to give Japan another opportunity to snub us by holding out any new suggestions about the Manchurian Commission of Inquiry.

SIR JOHN: I am sure that Japan attaches much more importance to the Manchurian side of this than she does to anything else.

SECRETARY: I know that; I think your suggestion about the Commission of Inquiry is a valuable one but there is no

- 10 -

no hurry about making it because they cannot get there for nearly a month and there may be many opportunities before then to make that suggestion. To make it at present in this note of ours would, on the other hand, give a dangerous opportunity for Japan to confuse the moral issue.

SIR JOHN: I understand that we will tell our man in Shanghai to cooperate with yours in trying to work out the truce locally and neither you nor I will make any public statement at present. I shall keep the Council of the League from doing anything rash or provocative and we shall hear in a day or two how things are working out.

SECRETARY: I see. Well that, I think, covers mainly what I want to say to you. When will you be back in London?

SIR JOHN: I will probably be in Geneva until Thursday or Friday. I am going to speak at the Disarmament Conference on Monday and I shall probably be there until Wednesday or Thursday or Friday. Mr. MacDonald is getting on very well.

SECRETARY: I am very glad to hear that.

SIR JOHN: I am in touch with him all the time.

We have a man here, I think his name is Wilson, who has asked me whether I would like to talk with him about the Japanese-Chinese situation. I think he is one of your men here at the League.

SECRETARY: Yes, he is our American Minister to Switzerland.

SIR JOHN: Had I better talk with him about it - how matters stand - or is it just between you and me?

SECRETARY: I am perfectly willing that you should talk with him on any matter that you or he wants to talk about,  
but



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but in case of any important decision, you call me up on the telephone.

SIR JOHN: I shall do that. What I like about your plan or your whole scheme is that it keeps us well away from this question about economic things and all of Article 16. I think it is wise to keep away from that.

SECRETARY: We have to; we are outside the League.

SIR JOHN: I don't think that sort of thing is the way to do it.

SECRETARY: What I think I can hardly breathe aloud. I am willing to keep Japan guessing as to what we are going to do but that I don't discuss, it is a little dangerous over the telephone even. Now, if anything should come up there is only one thing in what you have just said in summing this up which I want to just make this remark about. My proposition was that we do not send any more communications to Japan during these two days. You went a little bit further and said that we would not make any public statements. I have no intention of making a public statement just now, but a situation might come up where something might have to be said for our situation here. While I don't expect to say it and while I should try to speak to you beforehand, that is the only difference that I see at all. My reason for this is that it helps me very much to study the Council of the League if the thing remains as it is. They suggested that we were disinteresting ourselves and could do no more. There is much more risk that something rather striking might be done here.

SIR JOHN: I see that perfectly and I shall remember that.

*File*  
(NOT FOR THE PRESS)  
(FOR DEPARTMENTAL USE ONLY)

Department of State  
Division of Current Information

MEMORANDUM OF THE PRESS CONFERENCE, SATURDAY, JANUARY 23, 1932

*793.94*  
*note*  
At the press conference this morning Under Secretary Castle announced that Secretary Stimson had gone to New York on personal business.

The Under Secretary also announced that the Foreign Service changes made during the last week would be issued to the press later in the day.

SINO-JAPANESE CONFLICT.

The Under Secretary announced that, in order to assist the correspondents, the Division of Current Information had collected some data concerning the make-up of the municipal government in Shanghai.

Mr. McDermott, Chief of the Division of Current Information then said that the city of Shanghai is divided into three parts, the international settlement, the French concession, and the Chinese municipality of Greater Shanghai. The total population of the entire area is about 3,500,000, of which the international settlement has about 1,000,000 and the French concession about 400,000. The international settlement is governed by the Municipal Council which operates under a charter known as the Shanghai Land Regulations. This Municipal Council is international in character and is composed of people elected by the taxpayers. At the present time the Shanghai Municipal Council is composed of one American, who is a local business man, two Japanese, six British subjects, and five Chinese. The American population of Shanghai is composed of about 3,500 civilians, 52 marine officers, and 1173 enlisted men of the Marine Corps. Some of the marines have their wives and children in Shanghai. The total number of Americans now in Shanghai, therefore, is about 5,000. The value of

793.94/4000

1932  
JAN 23 1932

-2-

American-owned property in Shanghai is estimated a 115,000,000 American dollars. Included in the above are two American clubs valued at about 1,000,000 dollars, Mex, each.

A correspondent asked how the Under Secretary accounted for the failure of the Consuls at Shanghai to report a situation which seems to be exceedingly serious. In reply, Mr. Castle said the situation did appear to be serious and that he had no doubt that we would hear from Consul General Cunningham today. A correspondent asked if Consul General Cunningham had a wide latitude of action on his own responsibility. He was informed that Mr. Cunningham has been in Shanghai a long time, is thoroughly conversant with the situation and has a good deal of latitude. On the other hand, the American on the Municipal Council is an American business man and no American official has anything to do with the running of the city. A correspondent observed that he understood that the consular body at Shanghai acted as an advisory body. The Under Secretary in reply said he thought it very often would.

Referring to newspaper reports to the effect that Consul General Cunningham had warned the Japanese to keep out of the international settlement, a correspondent asked if that applied to civilians or only to troops. The Under Secretary in reply said that we do not know that Mr. Cunningham ever made such a statement. NOT FOR ATTRIBUTION, Mr. Castle said he supposed it would apply to troops solely. As a matter of fact, a great many Japanese are regularly domiciled in the international settlement and they surely could not throw them out. Asked if there had been any redistribution of naval forces in the Far East ordered as a result of this situation, the Under Secretary replied that the Admiral in command of our Asiatic fleet has the right to move his ships about as he may

-3-

deem necessary, merely reporting his action to the Navy Department. A correspondent said that our forces at Shanghai were very small and were composed of one of the eight-inch gun cruisers and some destroyers. The correspondent continued by saying that an associated press despatch from Tokyo this morning sounds fairly alarming, as the Japanese Government has apparently decided to occupy the Chinese military establishment in Shanghai. The correspondent said that he thought the arsenal was just across the Wasoon Creek near the international settlement. The Under Secretary in reply said that the only information he had regarding the situation was obtained from the press.

A correspondent said that, up until the present situation, when there were foreign interventions in China or in Shanghai, such as the intervention of 1929 when the British sent 8,000 troops to Shanghai, the intervening power first advised all the other governments and asked for their opinions. The correspondent then asked if Japan had done that in the present case. Mr. Castle in reply said that so far as we are concerned the Japanese have not made any inquiries. Observing that the present Japanese movement seems to have been caused by both anti-Japanese demonstrations and the effectiveness of the Chinese boycott of Japanese goods, a correspondent asked if the Department had any information concerning the economic pressure which has been put on Japan. The Under Secretary in reply said that the Department had no information on that subject but that he presumed the pressure must be fairly great. Japanese trade with China is very large and, if the boycott has been at all effective, it must be affecting Japan pretty seriously. The Under Secretary here said that the above statement was for BACKGROUND ONLY.

Asked

-4-

Asked if we have received any further word from the League of Nations as to when the Commission of Inquiry would start for the East, the Under Secretary replied in the negative. A correspondent then said that according to a newspaper despatch the members of the Commission are waiting for various inoculations and vaccinations against smallpox and other diseases. The correspondent said that, as he figured it out, there would be about fifteen inoculations at intervals of ten days, and which apparently would take 150 days to complete.

CHILE.

Asked if the Chilean documents had been sent to the Senate, Mr. Castle replied in the negative. A correspondent observed that the Senate was not in session and had recessed until Monday.

GREAT BRITAIN.

Asked if the Department had received any information on the proposed visit of the French Premier to London, the Under Secretary said he had heard nothing about it except from newspaper despatches.

ABYSSINIA.

A correspondent asked if any further reports had been received from the American Minister Resident and Consul General at Addis Ababa regarding the attack on him by Ethiopian police and a mob. The correspondent said furthermore that there was a report in one of the newspapers that the Ethiopian authorities had apologized to Mr. Southard. The Under Secretary replied that the Department had not received any further reports from Mr. Southard.

M. J. McDermott

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

## DOCUMENT FILE

### NOTE

SEE 500. G 112/871 FOR Tel. # 7, 5 pm  
(Sino-Japanese Series)

FROM Switzerland ( Wilson ) DATED Feb. 5, 1932.

TO \_\_\_\_\_ NAME \_\_\_\_\_ 1-1127 GPO

#### REGARDING:

Drummond states that he is contemplating calling a Council meeting Sat. at 5:30 to discuss Liberia and Danzig, but that he will not do so unless he can obtain an understanding from both Japan and China not to raise Far East questions pending reports on the results of the negotiations.

MN

793.94/4001

NE

REP

GRAY

Geneva

Dated February 5, 1932

Rec'd 1 p. m.

Secretary of State,  
Washington.

7, February 5, 5 p. m.

Drummond tells me that he is contemplating calling a Council meeting Saturday at 5:30 to discuss (one) Liberia and (two) Dantzig, but that he will not do so unless he can obtain an understanding from both Japan and China not to raise Far East questions pending reports on the results of the negotiations.

In the event that the meeting is called the president will declare "I have not thought it right to place on the agenda for today's meeting the dispute between China and Japan because as the Council is aware from the statement made by the British representative on Tuesday last delicate negotiations are proceeding on the whole question between certain powers largely concerned and the parties to the dispute.

The members of the Council all trust that these negotiations

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500.2112/871

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

REP

2- #7, from Geneva, Feb. 5, 5 p.m.

negotiations will be crowned with success but I feel strongly that any public discussion on the matter at this juncture is more likely to hinder the aim which, as I have already said, we all trust will be attained."

WILSON

RR

WSB



TELEGRAM RECEIVED

REP

FROM

GRAY

Shanghai via N. R.

Dated February 6, 1932

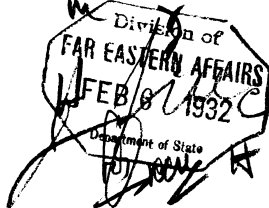
Rec'd 9:10 a. m.

Secretary of State,  
Washington.

7, February 6, 3 p. m.

Your February 5, 10 a. m.

The Municipal Council met shortly before noon January 28th and decided that a state of emergency should be declared as from 4 p. m. that day and Council issued a proclamation on January 28th declaring inter alia "that from 4 p. m. on Thursday January 28, 1932 a state of emergency exists and the Council authorizes the adoption of all requisite measures for the maintenance of order and good government in the Settlement". Chairman of Council informed Senior Consul of foregoing on the same day and requested latter "to arrange forthwith for the landing of the international forces for the internal defense of the Settlement". It is my understanding that the declaration of a state of emergency is in effect notice to the commanders of the various national forces that they are expected to be providing to defend their sectors. I am informed that British and American



F/LS 793.94/4002

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REF

2- #7, from Shanghai, Feb. 6, 3p.m.

and American troops started to occupy their respective sectors soon after the declaration of a state of emergency.

Repeated to the Legation, Nanking and Tokyo.

CUNNINGHAM

WSB

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

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

TELEGRAM RECEIVED

REP

FROM

GRAY

Tokio

Dated February 6, 1932

Rec'd 9:25 a. m.

Secretary of State,  
Washington.

47, February 6, 7 p. m.

We are informed by the Foreign Office that a suggested solution of immediate Shanghai difficulties involving procedure in carrying out in part suggestions in your telegram number 34, February 2, 9 <sup>p. m.</sup> ~~a. m.~~, is under way. It has been agreed to here by the Japanese military, Naval and Foreign Office authorities, instructions in regard to which are being cabled to their commanding officers in Shanghai.

The program contemplates immediate cessation of hostilities in the Shanghai area, creation of a neutral zone patrolled by neutrals, and probably continued occupancy by Japanese forces only of that portion of the region outside the Settlement predominantly inhabited by Japanese. This is a marked concession over anything the Japanese have hitherto been willing to discuss and opens

F/LS 793.94/4003

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Guerra.  
Director of  
FAR EASTERN AFFAIRS  
FEB 6 1932  
Department of State  
Telegrams  
to Tokyo, Shanghai  
and London. FEB 6 1932

REP

2- #47, from Tokio, Feb. 6, 7 p.m

opens up an encouraging way of solving the immediate difficulties.

For strategic reasons the Japanese are particularly desirous that this be worked out, and the suggestions originate, from Shanghai and not be the result of further representations in Tokyo from America and Europe.

Strongly recommend that you cable Cunningham directing him to cooperate in this movement.

Have consulted the British and French Ambassadors here and they concur in this recommendation and are cabling their representatives in Shanghai and also their home Governments advising that all appearance of outside pressure upon Japan be avoided at present.

I have telegraphed Cunningham as follows:

"Developments here indicate that a possible solution of immediate Shanghai difficulties may be now authorized by instructions to Japanese authorities in Shanghai, who will undertake negotiations. Suggest you communicate this information to American army and navy commanders. We are telegraphing Washington recommending you be instructed to cooperate in the movement."

893.0146 I am informed that 3,000 Japanese land troops will arrive in Shanghai or its immediate vicinity tomorrow to cooperate with and relieve all or a portion of the Japanese marines now ashore and reported to be quite exhausted

REP

3- #47, from Tokio, Feb. 6, 7 p.m.

exhausted with their duties there. I am further informed that these are all the Japanese land forces which have left Japan. No further troops will be sent before tomorrow or Monday and perhaps will not be sent at all if the situation quiets down.

Repeated to Nanking.

FORBES

HFD

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 6, 1932.

Tokyo's No. 47/4003 February 6, 7 p.m. I have discussed this telegram, in confidence, with Major Crane of MID.

He thinks that the Japanese proposal may be accepted at its face value and that in fact there is nothing to be gained by not doing so. The number of troops mentioned therein (3,000) as arriving at Shanghai tomorrow checks with the information we have received from McIlroy and from Cunningham (in his No. 8, February 6, 5 p.m.). In Major Crane's opinion this force would be sufficient for defensive purposes in the Shanghai area. Mr. Forbes' statement that no further land forces have as yet actually left Japan and none will be sent before Sunday or Monday leads to the belief that the other troops of which we have had reports are under orders to sail but have not as yet actually left Japan.

Major Crane concurs in the view that this change of front on the part of the Japanese army and naval authorities may be due to the reported division in the Cabinet over the question of the proposed extensive operations in China; and the fact that Baron Takahashi, the Minister of Finance, is supposed to be one of the Cabinet members in opposition suggests the conclusion that the Japanese Treasury is already feeling the pinch

of

793.94/4003

CONFIDENTIAL FILE

FEB 9 1932

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793.94/4003  
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- 2 -

of the military expenditures. This latter point of view is also the topic of the editorial of the TOKYO CHUGAI reported in Tokyo's No. 45, February 6, 1 p.m.

The report from Geneva, in its No. 9, February 6, 1 p.m., to the effect that "London is much concerned over the possibility of the Inukai-Yoshizawa Cabinet being swept away and replaced by an openly military Cabinet" is a further consideration for making the most of the present proposal. The possibility mentioned in the foregoing report is quite in line with reports which we have received from the Tokyo Embassy.

Another consideration for acting promptly upon the Japanese proposal is the impatient attitude of the Chinese Government, indicated in Nanking's February 6, 4 p.m., and the danger to all nationalities in the Settlement of such an attitude.

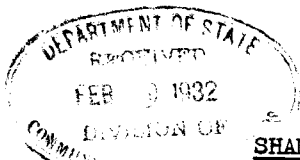
11-6-32

We are acting on it.

SKH

RAM  
FE: RSM: EJJ

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS



February 6, 1932.

SHANGHAI SITUATION

Tokyo's 47, February 6, 7 p.m., gives our problem an entirely new orientation.

Forbes states that the Foreign Office puts forward a suggested solution of the Shanghai difficulties and that this has been agreed to by "the Japanese military, naval and Foreign Office authorities". He says instructions are being cabled to the Japanese commanding officers in Shanghai.

The program contemplates immediate cessation of hostilities in the Shanghai area, creation of a neutral zone, and "probably continued occupancy by Japanese forces" . . . . "of that portion of the region outside of the Settlement predominantly inhabited by Japanese". He says that the Japanese desire that this be worked out without further representations in Tokyo from foreign powers.

Forbes recommends that we cable Cunningham to co-operate.

He says the British and French Ambassadors concur and are cabling to their representatives in Shanghai and their home Governments advising avoidance of outside pressure

F/DEW 793.94/4003

CONFIDENTIAL FILE



- 2 -

pressure at present. Forbes has telegraphed to Cunningham.

Forbes is informed that 3,000 Japanese troops will arrive in Shanghai or near tomorrow (that is today) to relieve the exhausted marines; and that these are all of the land forces that have left Japan and that no more will be sent before today or Monday and perhaps not at all.

My first reaction is, can we accept the statements of fact as fact; can we accept the proposals as made in complete good faith -- or are they intended merely to effect (a) a smoke screen for troop movements and (b) a delay in action by the powers. Mr. Miller says that he thinks we should rely on both as in good faith.

SKH

FE:SKH/ZMF

DECLASSIFIED: E.O. 11652, 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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PREPARING OFFICE  
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Department of State

1-138

TO BE TRANSMITTED

CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

PLAIN

OR  
This cable was sent in confidence.  
It should be carefully paraphrased before  
being used in any other communication.

Washington,

February 6, 1932.

FEB 6 32

AMEMBASSY,

TOKYO (JAPAN).

44 CONFIDENTIAL FOR AMBASSADOR.

Your 47, /4003 of February 6, 7 p.m.

Department is conferring with British Government  
and expects to be able to instruct Cunningham <sup>that, if asked by the Japanese, he should</sup> co-  
operate.

For the moment, you should refrain from expressing  
to the Japanese Government any views with regard to its  
project. If asked for information, you should simply  
say that you have transmitted the information given you  
and that Department informs you that the matter is being  
given its careful attention. Above all, avoid giving  
the Japanese ground for any impression that we view with  
equanimity their sending army reinforcements to Shanghai  
and intention to land such within International Settlement  
boundary.

FE:SKH:MHC:SS

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

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

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

TELEGRAM SENT

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Collect  
Charge Department  
OR

Department of State

Charge to  
\$

Washington,

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

February 6, 1932.

AMEMBASSY,

TOKYO, (JAPAN).

CONFIDENTIAL FOR THE AMBASSADOR

Your <sup>47/4003</sup> February 6, 7 p.m.

Department is telegraphing the American Consul  
General at Shanghai, authorizing him, if approached  
by the Japanese authorities at Shanghai and if British  
and other authorities are so approached, to cooperate  
in attempt to work out a solution on the basis of the  
program referred to in your telegram under reference  
as being proposed by the Japanese.

I am instructing the Consul General at Shanghai  
as follows:

(Telegraph Room: Here insert text of  
Department's telegram to Shanghai as  
per copy attached hereto, making omissions  
indicated in the attached copy.)

See 793.94/4014a (cf.)

FE:SKH:MHC:SS

Enciphered by

SKH

Sent by operator

M.

Feb 6, 1932.

Index Bu.—No. 60.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-138

793.94/4003

REP

# TELEGRAM RECEIVED

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

GENEVA  
FROM

Dated February 6, 1932  
Rec'd 10:05 AM

Secretary of State,

Washington.

URGENT.  
9, February 6, 1 p. m.

Massigli states that a telephone message from Paris

brings the information that the Japanese have definitely  
refused points two and five of the project urged by  
the United States, Great Britain, France, Italy and  
Germany and that London is much concerned over the  
possibility of the Inukai-Yoshizawa Cabinet being  
swept away and replaced by an openly military Cabinet.

Not only Massigli but several others active on the  
Council asked me my Government's views as to the next  
step assuming that when the message was drafted the  
possibility of refusal must have been contemplated  
and the next step envisaged.

If the Department could give me urgently its views  
on this question it would be useful to have them before  
the views of the Council become fixed and while their  
thoughts are still in a formative state.

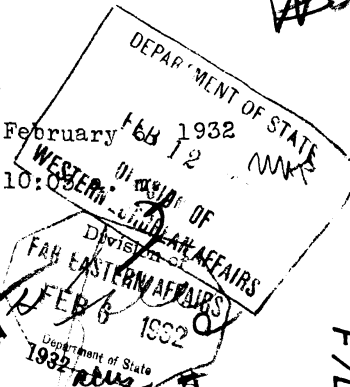
The Department might also think it of value to send  
me from time to time an indication of the attitude of the  
American press to this problem. February 6, 2 p. m.

WILSON

WSB

793.94  
note  
894.00  
873.1025  
500.0112

Telegram to  
Geneva



F/LS  
793.94/4004

FILED

165

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

TELEGRAM SENT

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

1-138

*CH*  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Department of State

Collect  
Charge Department  
OR  
Charge to  
\$

Washington,

February 6, 1932.

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

WILSON

BERGUES

GENEVA, (SWITZERLAND).

*793.94/4004*  
*6 Confidential*  
Your No. 9, February 6, 1 p.m.

*which may best*  
With regard to my views on question of the course  
to be pursued in the light of the Japanese reply to the  
suggestions advanced by the American and other governments,  
it is suggested that you inquire of Sir John Simon.

For your confidential information, he is aware of  
my views and you may inform him that I have so informed  
you.

The foregoing is confidential to you and to  
Sir John Simon.

*Stimson*

FEB 6 32

FE:MMH:MHC:SS

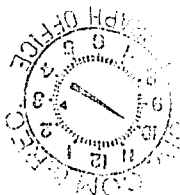
*M.M.H.*

Enciphered by

Sent by operator

M.

Index Bu.—No. 50.



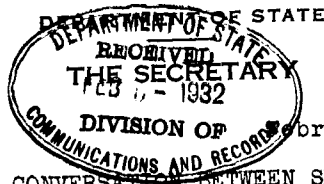
DM REC'D

793.94/4004

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

CONFIDENTIAL

CONFIDENTIAL



February 4, 1932.

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON  
AND THE PORTUGUESE MINISTER, VISCOUNT D'ALTE.

Shanghai Situation

The Portuguese Minister came in to tell me that his Government had sent its note on the subject of the International Settlement to the Japanese Government. Then he went on into a discussion of the situation which he presented with an extreme skeptical view of the Japanese policy. He thought the whole thing was planned; that Japan intended to dominate China; that there had been no division between the Army and the Government and he told me that they themselves were confronted with a serious situation at Macao where they had a colony on the mouth of the West River which runs up to Canton and they were looking forward to possible complications if the Japanese tried an attack on Canton. I told the Minister I thought his ideas were exaggerated of course and that I had the impression the Japanese had all the problem they wanted just at present in Shanghai.

HLS.

S HLS:GBS

F/LS 793.94/4005

CONFIDENTIAL FILE

FEB 10 1932

FILED

793.94  
note  
893.1028

FE  
DCR

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

MET

TELEGRAM RECEIVED

Shanghai via N.R.

Dated February 6, 1932

FROM

Rec'd 11:55 a.m.

Secretary of State,

Washington

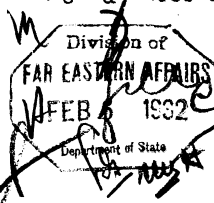
9, February 6, 6 p.m.

Continuing my daily report of February 5, 6 p.m.

One. So far the situation remains unchanged. Last night passed quietly. This morning desultory firing continuing between Japanese forces and Chinese defenders. This afternoon at 2 o'clock Japanese aeroplanes flew over the concessions with the apparent object of bombing the Chinese position. Directly thereafter heavy bombardment started.

Two. Heavy firing was reported in the vicinity of Paoshan village near Woosung at 11 a.m. at which time Japanese aeroplanes began dropping bombs on Woosung forts.

Three. The Japanese land plane that was forced down yesterday was picked up by American steamship HANOVER. Chinese aeroplanes scattered circulars from the air to the effect that they intend to take defensive measures against Japanese



F/LS  
793.94/4006

793.94  
note  
893.102-S  
793.11  
293.00

FILED  
FEB 11 1932

MET

2-#9 from Shanghai via N.R., February 6, 6 p.m.

Japanese planes but will not drop any bombs on foreigners or menace their safety.

Four. In observance of Chinese New Year local banks will suspend business for three days commencing February 6th during which time all markets and shops in the Settlement will be closed.

note  
393.00  
Five. At present there are 86,000 war refugees obtaining shelter in the Settlement. Large numbers of refugees have left or are leaving Shanghai daily for places in the country either due to terror or due to arrival of Chinese New Year. This situation is relieving the situation.

— Six. At noon today the Consular Body had a meeting.

Repeated to the Legation, Nanking and Tokyo for information.

CUNNINGHAM

WSB



TELEGRAM RECEIVED

FEB 6 1932

REP

FROM GRAY

Nanking via N. R.

Dated February 6, 1932

Rec'd 10:58 a. m.

Secretary of State,  
Washington.

PRIORITY.

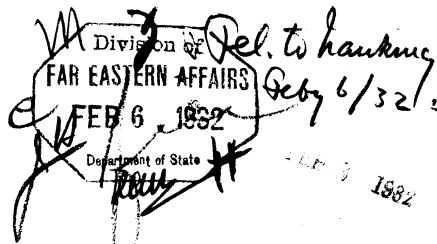
February 6, 4 p. m.

I have just received the following two notes from  
the Minister of Foreign Affairs, both dated February 5th:

"I have the honor to state that the Shanghai  
Municipal Government submitted a telegraphic report on  
February 3rd, 1932, that the Japanese forces were  
still utilizing the International Settlement as a base  
of operations in attacks against the Chinese forces;  
that every day Japanese armed forces were crossing over  
the International Settlement into the western part of  
Shanghai and other places thereby increasing the anxiety  
of our own forces; and that a protest had been filed  
with the Municipal Council of the International Settlement.

I have the honor to recall that this Ministry on  
January 31st, 1932, addressed a note to Your Excellency

in refer



F/DEW

793.94/4007

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FEB 10 1932

793.94  
note  
893.102-3

REP

2- from Nanking, Feb. 6, 4 p. m.

in reference to the ~~act~~ of the International Settlement in allowing the Japanese forces liberty to utilize Settlement area as a base for military operations in which the Ministry requested that urgent telegraphic instructions be sent to the American Consul; to recall that I addressed Your Excellency notes on January 31st and February 5th, 1932, in reference to the action of the International Settlement in Shanghai in allowing Japan to use the Settlement at will as a base of operations in which notes I requested that an immediate end be put to this state of affairs.

I have the honor to observe that China is suffering immense damage as a result of the action of the International Settlement in permitting Japanese forces to use the Settlement as a base of military operations. I must, therefore, again request with the utmost seriousness that Your Excellency immediately telegraph to the American Consul in Shanghai and the officer in command of the American forces that the International Settlement must not be used to protect the Japanese forces, and that the Japanese forces must be strictly prevented from utilizing the Settlement as a base for launching attacks on the Chinese forces, otherwise China cannot  
assume

REP

3- from Nanking, Feb.6, 4 p.m.

assume responsibility if, through causes, the International Settlement becomes involved in any trouble Shanghai, and to the officer in command of the American forces there directing that the Japanese forces be forbidden to use the territory of the International Settlement as a base from which to launch attacks on Chinese controlled territory. But, according to the report of the 3rd instant already referred to, the authorities of the International Settlement are still permitting Japanese armed parties to pass over the International Settlement to the western part of Shanghai and other places thus adding to the anxieties of the Chinese forces. This is clearly unjustifiable and I have the honor again to request that Your Excellency will speedily take action to bring about strict enforcement of the course outlined in my note of January 31st, 1932, and will favor me with a reply.

I have the honor to bring these circumstances to Your Excellency's attention and to request that you take speedy action and favor me with a reply."

I desire to invite the Department's most serious attention to the notes above quoted and to state most emphatically my hope that the Department will see the

serious

REP

4- from Nanking, Feb. 6, 4 p.m.

serious situation into which the Japanese have put the International Settlement at Shanghai by their deliberate abuse of their responsibility under a scheme originally drawn up for the purpose of ensuring the protection of the International Settlement from outside attack. It behooves the American and British Governments to leave no effort untried to persuade the Japanese to leave the area of the Settlement lest all nationalities become involved in the chaos the Japanese have created there.

JOHNSON

HPD

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

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

TELEGRAM SENT

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Collect  
Charge Department  
OR  
Charge to  
\$

Department of State

This letter was sent in confidential code.  
It should be carefully paraphrased before  
being communicated to anyone.

Washington,

February 6, 1932.

AMERICAN CONSUL,  
NANKING, (CHINA).

23 FOR THE MINISTER.

Your February 6, 4 p.m.

One, The Department refers to its telegrams to you,  
No. 30, January 28, noon; No. 35, January 30, 1 p.m.;  
its telegram to American Consul, Shanghai, for you, dated  
January 31, 8 p.m.; its telegram to the American Consul,  
Nanking, January 31, 8 p.m., and its telegram to the  
American Consul, Shanghai, February 3, 11 p.m., which  
was repeated to Nanking, <sup>to be</sup> (ending)

Two, In your contacts with the Foreign Office and  
other Chinese officials, the Department trusts that you  
have made use of the information contained in the Depart-  
ment's instructions above referred to, and others, at  
least to the extent to which the information contained  
therein, for your confidential information, has become  
a matter of common knowledge through the press.

Three, In the meantime, the Department has also  
been engaged in an exchange of views with the other,

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

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1918 1-138

793.94/4007

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

1-138  
 PREPARING OFFICE  
 WILL INDICATE WHETHER

Collect  
 Charge Department  
 OR

Charge to  
 \$

# TELEGRAM SENT

1-138 TO BE TRANSMITTED  
 CONFIDENTIAL CODE  
 NONCONFIDENTIAL CODE  
 PLAIN

## Department of State

Washington,

- 2 -

interested governments, to the end that the situation at Shanghai might be relieved, as evidenced by the Department's instruction to Nanking No. 12, <sup>3902e</sup> February 1, 3 p.m., and the instructions, which are being sent to Shanghai, today, to the same end.

Four, You may <sup>in your discretion,</sup> formulate your reply to the notes of the Minister of Foreign Affairs, dated February 5, on the basis of the telegrams referred to in paragraph one of this instruction; and you may assure the Minister that this Government, together with the other interested governments, is giving the matter referred to in his communications its continuous and most solicitous consideration.

*S. Simpson*  
*SKH*

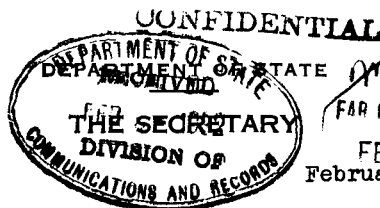
*FR*  
 LT:RSM:MHC:SS

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

CONFIDENTIAL



MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON AND  
THE GERMAN AMBASSADOR, HERR FRIEDRICH W. VON PRITTWITZ  
UND GAFFRON.

Shanghai.

The German Ambassador called and said he had no special message, but he came to inquire about the situation in the Far East. I summed up for him the situation at Shanghai as I saw it: the danger to the International Settlement that had been brought on by the Japanese failure to accomplish their objective with their navy and the subsequent use of the Settlement by their marines and irregulars as a base of attack against the Chinese.

I told him the steps that we were taking in concurrence with the British to stop this, and I read him the cable which I had received this morning saying that that had been successful; that the Japanese had been withdrawn from our sector. I told the Ambassador, however, that the situation still remained precarious but that it was assisted by the complete alignment and representation which was taking place between the British and ourselves.

HLS.

S HLS:EMS

F/LS 793.94/4008

FILED

FEB 10 1932

793.94  
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PCR

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

CONFIDENTIAL

Division of  
FAR EASTERN AFFAIRS

FEB 8 1932

Department of State

CONFIDENTIAL

DEPARTMENT OF STATE

RECEIVED  
THE SECRETARY

FEB 8 - 1932

DIVISION OF February 4, 1932.

MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON  
AND THE ITALIAN AMBASSADOR, NOBILE GIACOMO DE MARTINO.

Shanghai Situation

893.102 S  
The Italian Ambassador came in to say that he had a telegram which he had been delayed in giving to me on account of his absence in New York. It was to the effect that Italy joined with us in making every effort to avoid the further developments of a conflict at Shanghai and to prevent a violation of the International Settlement. The Ambassador said they had sent from Italy the cruiser TRENTO, which was one of their new cruisers, and it had a lot of marines on it, and one big destroyer. He told me that Signor Mussolini's daughter was the wife of the Chargé at Shanghai. The Ambassador closed by saying that he feared that the prestige of the white race in the Orient had been greatly lowered by recent events. He enumerated: one, the failure of the Bank of England; two, bread lines in New York, and three, Germany pleading for financial help, and so on. He said that these were just the high points which the Oriental reader got.

HLS.

S HLS:CB8

F/LS

793.94/4009

FILED

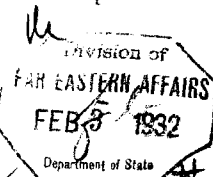
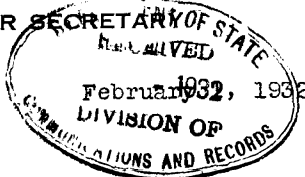
FEB 10 1932



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

DEPARTMENT OF STATE

THE UNDER SECRETARY OF STATE



Memorandum of conversation with Count Ayske Kabayama.

JCR

Count Kabayama called to say that he was in Washington just for a few hours, that he was returning to New York and then continuing to Japan. He said that he had had many interesting talks with people while in this country and that he had been surprised to find such a wide spread friendship for Japan. He said that the Japanese felt happy that I was in the Department as they felt I understood Japan. I said I was glad to hear this and that I was, of course, just as friendly to Japan as I ever had been so far as Japan could be represented by the excellent people I had known in Tokyo. I told him, however, that what was now going on in China had made the task of any friends of Japan very difficult, since there really was no defense possible for much that had happened. Count Kabayama said he realized this fully, that it was very easy for him to talk with adversaries of Japan, but very difficult to talk with friends of Japan who were as sad as he himself over what is going on now.

He asked me if we had any late news and when I told him about the Nanking incident I thought the poor man would burst into tears. He said that this was the

most

F/LS 793.94/4010

FEB 8 - 1932

FILED

DEPARTMENT OF STATE  
THE UNDER SECRETARY

2

894.00

most terrible thing he had heard, that there might conceivably be excuses for much that had happened in Shanghai, although he realized that these things would not have happened had the Japanese taken a different attitude from the beginning; that the bombing of Nanking, on the other hand, was utterly hopeless since the ships there ought not to have been in a position to be attacked from the shore, if that was the excuse they might give. He asked me whether, knowing the Japanese, I had any explanation I could give for all that has recently happened in Shanghai and the vicinity. I said that the only explanation which seemed to me reasonable was that perhaps the Navy felt the Army was getting too much glory in Manchuria and that some of the younger Naval Officers had decided to get a little glory themselves. I added that the utterly tragic part of this, aside from the damage which was being done to Japanese prestige, seemed to me that it showed an almost complete breakdown of the Japanese Government because it could hardly be claimed that a government which could not control its military or naval officers had any very real standing in the world.

Count

DEPARTMENT OF STATE  
THE UNDER SECRETARY

3

894.00

Count Kabayama said that he was afraid my estimate as to what these naval men were doing was correct. He said that he could not believe, as some people did, that Japan had any real plan for an extensive campaign in China, but that the various unfortunate events of recent days had been due to the over zealousness of officers on the ships. Count Kabayama went into a long discussion of the difficulty of the Japanese Administration under the Constitution and said that he felt one of the most important reforms was to do away with direct military access to the Emperor. He said that both the Army and the Navy hated party government in that they felt that the party leaders often went mad and did things derogatory to the Emperor and harmful to the prestige of the nation. I told him this might well be true, but that what had happened in the last few months would rather seem to indicate that the Army and the Navy were more undisciplined than the political parties and that certainly now it was the Army and the Navy, rather than the politicians, who were destroying the splendid world reputation of his country.'

I reminded Count Kabayama that, when in Tokyo, I had pointed out in a speech that many people in Japan felt that  
the

DEPARTMENT OF STATE  
THE UNDER SECRETARY

4

the reputation of the nation was due to its military prowess, that this was not the case, that although certainly the Russo-Japanese War had brought Japan to a high point in world estimation, the only reason it had kept that estimation was due to its progressiveness in trade and science. Count Kabayama said he remembered that and that he knew the real people in Japan would agree now as they had agreed then.

He told me that he was leaving in a few hours for New York and was returning to Japan.

W. R. Castle, Jr.



U WRC/AB

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

No. 240  
CONFIDENTIAL.

February 8 1952.

The Honorable  
W. Cameron Forbes,  
American Ambassador,  
Tokyo.

Sir:

793.94/4010

There is enclosed, for your confidential information, a copy of a memorandum of a conversation which took place between Count Ayske Kabayama and the Under Secretary of State, on February 1, with respect to the Sino-Japanese controversy.

Very truly yours,

For the Secretary of State:

W. R. Castle, Jr.

1 enclosure:

Copy of memorandum.

U VC/AB

Ram  
F E  
M. M. H.

CR  
Feb. 5 1952

For the copy of the signed orig.  
M

793.94/4010

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

CONFIDENTIAL

DEPARTMENT OF STATE

THE SECRETARY

CONFIDENTIAL



MEMORANDUM OF CONVERSATION BETWEEN SECRETARY STIMSON AND  
THE JAPANESE AMBASSADOR, MR. KATSUJI DEBATA

Shanghai Situation

This afternoon the Japanese Ambassador called at Woodley. He told me that he had received word that the Japanese were evacuating our Sector and that arrangements were being made so that there would be a termination of the trouble we have been having with them. I questioned the Ambassador at considerable length on this; his information was rather vague. I told him our information was very serious as to the interference which their irregulars and some of their regular marines were making with our own marines and that our marines had been very patient and had not fired a shot, but that the danger was very serious if other troops were using our Sector as a base of attack on the Chinese.

The Ambassador told me that while the Japanese destroyers were passing the Woosung Fort they were fired at and they returned the fire and he did not know what had been the result. I told him that my information was that it was the Japanese who were firing over our Settlement from their ships and were making very serious trouble

for

793.94  
note  
893.1025

RE  
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793.94/4011

FILED

FEB 10 1932

DEPARTMENT OF STATE

THE SECRETARY

- 2 -

for us because they sometimes hit the Settlement itself.

793.94119

The Ambassador told me that the Japanese were having some difficulty with our five points; the first four points did not offer serious difficulties, he said, but the fifth point brought in the Manchurian question and the Japanese nation was opposed to having a third party take part in negotiations over Manchuria. He asked me if we insisted upon that point. I said that the President himself was extremely firm on that point; that we considered that there was no use in temporizing in stopping individual controversies and conflicts if the cause of the controversy was not ended; that we had suggested a way of ending it, which was not only in conformity with our treaties and with the resolution of December ninth of the League (to which the Ambassador had referred), but which was also in conformity with the procedure which had worked in the past, namely the neutral observers which had been so successful at Shantung. The Ambassador pressed me very hard on whether we would not be willing to separate the first four points from the fifth. He said the house was on fire and would it not be better to put out the fire first. I said I made no objection to his putting out the fire

fire

DEPARTMENT OF STATE

THE SECRETARY

- 3 -

fire; in fact I was insisting on it, perhaps that would clear the air but our position was clear that the whole controversy must be settled or we would have no good result. He said, "Here we were contemplating sending two divisions of land troops to China and instead of that we sent and asked you to use good offices; does not that show we were conciliatory and do you really think you ought to dictate to us as to the fifth point." I said we had no idea of dictating but we put up a proposition which we thought should be considered altogether, but I said to him the present situation in Shanghai must be handled, whether or not you had requested good offices. I said even if you had made no such request and even if we had not suggested any five points at all, I should have been obliged to call you today on account of the serious information which I have received, and I want you to make sure that you convey to your Government the following points: first, that we are determined to defend the International Settlement as it is the only way by which we can save the lives of our nationals, and the British are equally determined; second, we cannot successfully defend the International Settlement if you continue to use it as a base



DEPARTMENT OF STATE

THE SECRETARY

- 4 -

793.94111  
base against the Chinese Army because that will provoke the Chinese Army to attack it with their numerous forces, therefore you must absolutely stop using it as a base; third, the evidence that I get today, coming not only from my own officials but from all of the civil and military officials in the Settlement, is that your troops and your irregulars and your "ronins" are violating the neutrality in the Settlement and are using it as a base of attack against the Chinese; that absolutely must stop or otherwise we will all be involved in a great catastrophe. I insisted that he take down these points and submit them to his Government.

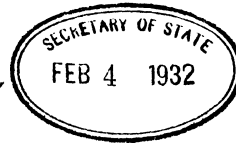
HLS.

S HLS:CBS

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



DEPARTMENT OF STATE  
THE UNDER SECRETARY  
RECEIVED



FEB 3 - 1932

February 3, 1932.

SECRETARY'S OFFICE

Memorandum of conversation with the British Ambassador,  
February 3.

The British Ambassador came in with a memorandum of the instructions sent the British Ambassador in Tokyo strongly to protest to the Japanese Government against the actions of the Japanese forces in the International Settlement in Shanghai interfering, as they have been doing, with the regular police assigned to the different sectors. He said that he very much hoped that the American Government would follow with a similar protest. (This is being done.)

The Ambassador asked whether I had any comment to make on the Japanese answer which he took for granted by the papers, had been sent. I told him it had not been sent and that the latest information we had was that Yoshizawa had gone into the country to discuss the matter with Prince Saionji. I showed him the copy of the Chinese answer. The Ambassador said that it was the feeling of his Government that the Japanese would accept the first four points, but not the fifth and that Mr. Stimson had, by telephone, made it clear that we considered the fifth point the most important of all  
of

F/LS

793.94/4012

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FEB 3 1932

793.94  
note

893.1025

DEPARTMENT OF STATE  
THE UNDER SECRETARY

2

of all of them. He asked me whether this was still ~~our~~ point of view. I told him the Japanese Ambassador had yesterday asked me the same thing, that I had answered that it certainly was the heart of the proposition in that it was the part of the plan which might bring about a real settlement. I told him the Japanese Ambassador had said to me that his Government would probably find great difficulty in assenting to the fifth point and that I had answered that whatever happened I hoped they would not turn down the fifth point. I said that if they would accept instantly and completely the first four points, leaving the fifth for discussion, a great step would have been made. I said that I had also impressed on him that we had no intention of dropping the fifth point out of the scheme because it really was the heart of the scheme.

The Ambassador said that he felt it to be very important that in all this matter we should go along step by step with the British. I said I entirely agreed with this, but asked why he laid stress on it. He said the reason was that there was, of course, a very strong party in England, ~~that~~ the extreme Tories principally, who regretted the abandonment of the Anglo-Japanese Alliance, were determined not to get into any trouble

DEPARTMENT OF STATE  
THE UNDER SECRETARY

3

trouble with Japan and did not very much like the United States. He said the whole matter was psychological rather than political and that it was not based on common sense. I told him that this attitude of a certain section of the British public was probably the reason why there was an apparent fear in Congress particularly that we might go along with the British for a certain distance and that they would then leave us holding the bag. The Ambassador said that he knew this feeling existed and that this was another reason why he felt it important, that demonstrably the different moves should be parallel so that American opinion might not get the idea that the British would leave us in the lurch. He asked what move the British could take which would dissipate this feeling. I told him that I could hardly advise as to that although I thought the cordial working together so far was having an excellent effect. I said that I had heard a Senator say the other day that if a substantial part of the British fleet should go to Singapore that would certainly demonstrate the solidarity between the two countries because our own fleet was to be in Hawaiian waters for maneuvers. The Ambassador said that such a move would certainly be the strongest move that could possibly be made.


He

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

DEPARTMENT OF STATE  
THE UNDER SECRETARY

4

He said that he was rather optimistic as to the Japanese reply, at least in so far as the first four points were considered. I told him that I hoped he was right and that if there was a satisfactory reply, it obviously must be without reservation because the extremely important matter now was to prevent the sending of an expeditionary force.

W. R.  Castle, Jr.

U WRC/AB

February 8 1932.

No. 1061

STRICTLY CONFIDENTIAL.

Ray Atherton, Esquire,

American Chargé d'Affaires ad interim,  
London.

Sir:

79394/4012

There is enclosed, for your confidential information, a copy of a memorandum of a conversation which took place between the British Ambassador and the Under Secretary of State, on February 3, 1932, concerning the Sino-Japanese situation.

Very truly yours,

For the Secretary of State:

W. R. Castle, Jr.]

1 enclosure:

Copy of memorandum  
of February 3.

U VC/AB

Ram  
FE  
m/m

WE: WNF

2-32  
MA



Feb. 6. 1932.

793.94/4012

February 8 1932.

No. 682

STRICTLY CONFIDENTIAL.

The Honorable

Nelson T. Johnson,  
American Minister,  
Peiping.

Sir:

There is enclosed, for your confidential information, a copy of a memorandum of a conversation which took place between the British Ambassador and the Under Secretary of State, on February 3, 1932, concerning the Sino-Japanese situation.

Very truly yours,

For the Secretary of State:

W. R. Castle, Jr.]

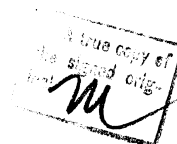
1 enclosure:

Copy of memorandum  
of February 3.

U VC/AB

WE: mmf

Rem.  
FZ  
mmf



Feb. 8, 1932.

793.94/4012

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

February 8 1932.

No. 242

STRICTLY CONFIDENTIAL.

The Honorable

W. Cameron Forbes,  
American Ambassador,  
Tokyo.

Sir:

There is enclosed, for your confidential information, a copy of a memorandum of a conversation which took place between the British Ambassador and the Under Secretary of State, on February 3, 1932, concerning the Sino-Japanese situation.

Very truly yours,

For the Secretary of State:

1 enclosure:

Copy of memorandum  
of February 3.

U VC/AB

Rum.  
FE  
2/2/32

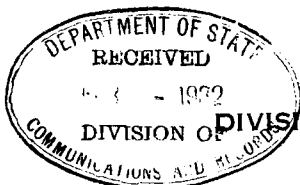


WE: WAF

Feb. 6, 1932.

793.94/4012





DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 3, 1932.

ICR  
file

Conversation.

The British Ambassador,  
Mr. Hornbeck.

Subject: Sale of Airplane Gas to Chinese at Shanghai.

The British Ambassador called me and said that he had a telegram from the British Consul General at Shanghai on the subject of the desire of the Chinese to buy airplane gas.

The British Consul General thought that the sale should be prevented if possible. He thought that he could prevent British firms from selling "by influence" rather than by law. The British Ambassador asked whether we could prevent sale by American nationals. I said that we had received a telegram on the same subject, but that I had at once turned it over to "China" officers for study and had had no return from them. I endeavored to find out what action we were taking, but the officers who had this in hand had left for the day. I told Sir Ronald that I thought that whatever action we took would have to be on the basis of "influence".

I said that I would get in touch with him on the subject at the earliest possible moment. He said that that would be all right.

SKH/REK

F/LS

793.94/4013

FEB 10 1932

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

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER  
Collect  
Charge Department  
OR  
Charge to  
\$

TELEGRAM SENT

1-138  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Department of State

This cable was received from  
[redacted]

Washington,  
February 6, 1932.

AMERICAN CONSUL,

SHANGHAI (China).

*Triple Priority. 3.*  
CONFIDENTIAL FOR THE CONSUL GENERAL.

793.94/A  
note  
893.102-S  
V

Department assumes you have received telegram from  
Ambassador, Tokyo, stating that Japanese Government is  
developing a project for negotiations toward settlement  
of Shanghai situation to be initiated by Japanese  
authorities at Shanghai.

Ambassador informs Department that the program con-  
templates immediate cessation of hostilities in the  
Shanghai area, establishment of a neutral zone to be  
patrolled by neutrals, and probably continued occupancy  
by Japanese forces only of that portion of the region  
outside the Settlement predominantly inhabited by Japa-  
nese. Ambassador is informed that three thousand Japa-  
nese troops will arrive in Shanghai or vicinity Sunday;  
that no other Japanese land forces have as yet left  
Japan; and that no more will be sent before Sunday or  
Monday, if at all.

Department assumes that you will be approached by  
Japanese authorities at Shanghai with regard to this pro-  
ject, and Department authorizes you, if so approached,

Enciphered by

Sent by operator M., 19

CONFIDENTIAL FILE

793.94/4014A

1681  
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department  
OR  
Charge to  
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## TELEGRAM SENT

1-138  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

### Department of State

Washington,

- 2 -

and if British and other authorities are so approached, to cooperate in attempt to work out solution on this basis.

To this end we wish you to understand accurately our views, so that in your necessary work of participation in the negotiations you may protect the American interests involved without permitting commitments or precedents which may be embarrassing in the future.

First. This Japanese proposal is in no sense an acceptance of the recent proposal of the four powers for a permanent termination of the controversy. It omits the vital consideration inuring to the benefit of the Chinese. It must, therefore, be considered wholly as a proposal coming from Japan.

Second. Our interests, nevertheless, will be greatly benefited by a cessation of the hostilities which are now endangering the International Settlement, provided such a truce does not lay the foundation for a greater peril hereafter or obscure the principles which are now maintained for the protection of the International Settlement.

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

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

168

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

1-138  
PREPARING OFFICE  
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TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
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Collect  
Charge Department  
OR  
Charge to  
\$

Department of State

Washington,

- 3 -

Third. With the foregoing in mind, (a) you should neither consent to nor, if possible, permit the landing of any new troops in the International Settlement except such as are designed for participation in the protection of the Settlement itself and are not intended for operations outside. If this principle is evidently to be violated, make an appropriate protest; (b) You should endeavor to secure as broad commitments as possible from both the Japanese and Chinese authorities to the effect that there shall be no interference with the neutral trade and commerce of the Port of Shanghai at any time, now or in the future; (c) You should endeavor to obtain commitments from the Japanese to the effect that none of the proposed new forces are intended for any permanent occupation outside the International Settlement and that all of such forces over and above the ordinary garrison heretofore maintained will be withdrawn as soon as the emergency is over; (d) You should avoid any pressure upon the Chinese which may give them any opportunity for statement or belief that we have sided with Japan in forcing them to make a truce to their own disadvantage, or any

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

1-138  
 PREPARING OFFICE  
 WILL INDICATE WHETHER

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 TO BE TRANSMITTED  
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## Department of State

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Washington,

- 4 -

pressure upon them for action on their part which is not necessary for the defense of our interests in the International Settlement; (e) If the negotiations result in a proposal of a neutral zone outside of the Settlement between the present combatant forces, said zone to be patrolled by neutral forces, the American authorities are authorized in their discretion to acquiesce and participate, provided the Chinese have consented to such a zone.

Keep us advised of the progress of the negotiations and report any difficulties to us for such assistance as we may be able to give you.

You should inform Admiral Taylor in confidence, regarding the above. For the moment the Japanese Government requests <sup>strict</sup> secrecy.

Repeat to Nanking confidential to the Minister.

*Gustafson*

829 831

FE:SKH:EMU:MHC:SB

Enciphered by

Sent by operator

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1959 1-138

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

(PARAPHRASE)

INSTRUCTION SENT BY THE SECRETARY OF STATE TO THE AMERICAN

CONSUL-GENERAL AT SHANGHAI, FEBRUARY 6, 1932. /4014a

I assume that you have already been advised that the

Japanese Government is elaborating proposals for negotiations to be undertaken by Japanese representatives at Shanghai toward settlement of the situation at Shanghai.

Ambassador Forbes informs me that the proposals embrace the following points: 1) Immediate termination of hostilities in the Shanghai area; 2) Institution of a neutral zone which will be policed by neutrals; and 3) apparently continued occupation by Japanese troops of the region outside the International Settlement in which Japanese nationals predominate. The Ambassador has been informed that on Sunday 3,000 Japanese troops will be landed at or near Shanghai, that no other Japanese military forces have as yet been despatched from Japan and that the Japanese Government will send no more land forces prior to Sunday or Monday, if then.

I assume that the Japanese authorities at Shanghai will approach you in connection with these proposals and you are authorized, should you and the British and other authorities be so approached, to cooperate in an endeavor to find a solution on the basis of these proposals. For that purpose, I wish to give an accurate indication of our attitude, in order that you may protect the American interests involved, without undertaking commitments or creating precedents which would be embarrassing in the future, in the course of your necessary participation in the negotiations:

1. The proposal must be considered entirely as a proposal coming from Japan. It is in no way an acceptance of the recent four-power proposal for a lasting settlement of the controversy.

793.94/2014A

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

- 2 -

2) Notwithstanding this fact, it is a matter of importance to us if the termination of the hostilities which at present are endangering the International Settlement be effected, provided that this truce does not prepare the way for greater complications for the future or infringe upon the principles which are now maintained to protect the Settlement.

3) Bearing this in mind, you should oppose allowing new troops to be landed in the Settlement unless they have been designated to take part only in the protection of the Settlement as such and are not intended for operations outside of the Settlement. If there is evidence that this principle is to be violated you should make an appropriate protest. You should attempt to obtain the most sweeping engagements possible from both the Chinese and the Japanese authorities that there shall not be at any time, either now or in the future, any interference with the commerce and trade of the Port of Shanghai. You should attempt to secure an undertaking from the Japanese authorities that none of their proposed new forces are intended to effect any permanent occupation outside of the International Settlement and that, as soon as the present emergency has passed, they will withdraw all of such forces in excess of the ordinary landing forces hitherto maintained. You should avoid any pressure upon the Chinese which will give them any chance to say or believe that we have taken sides toward forcing them to conclude a truce disadvantageous to them, or any pressure upon the Chinese to take any action which is not essential to the defense of our interests in the International Settlement. If these efforts result in the proposal of a neutral zone outside of the International Settlement, which zone is to be patrolled by neutral forces, the American authorities at Shanghai are authorized, if they deem it advisable, to consent

DECLASSIFIED: E.O. 11652, 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 -

to the creation of such a zone and to participate in its policing, if the Chinese have consented to its establishment.

Keep me currently informed of the progress of the negotiations contemplated in this proposal and, in case difficulties arise, report them to me for such help as it may be possible to give you. The Japanese Government has requested strict secrecy for the time being in connection with this proposal. You should, however, inform Admiral Taylor, confidentially, concerning the above.

WE:FE:

J.F.C.  
S.M.H.

S.M.H.



FE-

Division of  
FAR EASTERN AFFAIRS  
FEB 5 1932  
Department of State  
*Pige*

42

FROM: POSTAL TELEGRAPH COMPANY

TO: NAVAL OPERATIONS

YES WE ARE HANDLING TRAFFIC FROM THE CABLE  
FROM MANILA TO SHANGHAI TO INTERMEDIATE PORTS THE CABLE RUT  
AT SHANGHAI AND THE CABLE WILL BE SO THAT TRAFFIC  
IS COMING MANILA TO SHANGHAI AND FROM HONGKONG UP VIA THE  
EASTERN TELEGRAPH COMPANY WE KEEP YOU ADVISED

793.94/4014  
A

JUN 4 1932

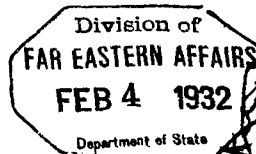
FILED

THIS COPY FOR STATE DEPARTMENT

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

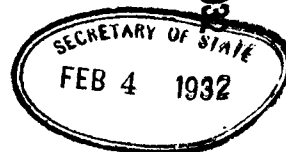
FOR INFO

FROM ALBANY OFFICE  
TO NEWYORK  
INFO CINC ASIATIC AMERICAN MINISTER



0004 JAPANESE MILITARY HARBIN HAVE REQUESTED THAT  
FROM CHINESE EASTERN RAILWAY TO TRANSFER GOODS FROM A  
TO HARBIN. SOVIET RAILWAY OFFICIALS ACQUIESCE CHINESE REQUEST  
DESPITE CHINESE THREATS JAPANESE LIBERATION AND CHINESE  
AND FOR STALLED PROSECUTION BY CHINESE MILITARY. CHINESE  
CHINESE JAPANESE CONSUL GENERAL HARBIN REQUESTING SLOWNESS ADVISE  
CHINESE FORCES AMERICAN MISSIONARY AT CHANGCHUN, BETWEEN  
HARBIN AND LINGHON REPORTS THAT JAPANESE MILITARY ACTIVE  
EXPECTED THAT AREA AND SOUTH ALONG RAILWAY TO TAIYUAN. JAPANESE  
JOURNALISTS HAVE BEEN REPORTED MISSING IN THAT AREA AND JAPANESE  
ARE DISSENTIFIED WITH CHINESE INVESTIGATIONS. 1200  
REC IN CODE ROOM IN SERVICE CINC 11 0940 4 FEBRUARY 1932

DISTRIBUTION 117 16... ACTION  
12 00 004 31 38 00 104 15 15 20



THE UNDER SECRETARY

FEB 4 1932

DEPARTMENT OF STATE

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



793.94/4014  
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JUN 4 1932

FILED

THIS COPY FOR STATE DEPARTMENT

TELEGRAM SENT

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department  
OR  
Charge to  
\$

Department of State

Washington,

February 6, 1932.

AMEMBASSY,

LONDON (England).

I held telephone conversation with Sir John Simon this afternoon. We have agreed that, in view of the Japanese project with regard to Shanghai reported by our respective Ambassadors in Tokyo, we will for the moment (a) suspend consideration of the note or notes under discussion during the past two days and (b) ~~will~~ instruct our respective authorities at Shanghai, in case they are approached by Japanese authorities with regard to local negotiations, to cooperate.

Supplementing this conversation, I desire that you inform the Foreign Office of the above and of what follows and request that what follows be communicated in substance to Sir John Simon. At the time of our conversation, he had not yet received news of the Japanese Government's project; but he agreed that the two Governments should act along similar lines.

I am instructing the American Consul General at Shanghai that, if so approached by the Japanese authorities, and if British and other authorities are so approached, he should cooperate with those and other authori-

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

Sent by operator \_\_\_\_\_ M., Feb 6, 1932, \_\_\_\_\_

793.94/4014B

793.94/A  
note  
893.102-S

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

1691

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

1-128  
 PREPARING OFFICE  
 WILL INDICATE WHETHER

## TELEGRAM SENT

1-128

TO BE TRANSMITTED  
 CONFIDENTIAL CODE  
 NONCONFIDENTIAL CODE  
 PLAIN

Collect  
 Charge Department  
 OR  
 Charge to  
 \$

## Department of State

- 2 -

Washington,

ties in an attempt to work out a solution on the basis of a program proposed by the Japanese which contemplates immediate cessation of hostilities in the Shanghai area, establishment of a neutral zone to be patrolled by neutrals, and some other features not definitely specified. The American Ambassador Tokyo, reports he is informed that three thousand Japanese troops will arrive in Shanghai or vicinity <sup>Sunday</sup> today; that no other Japanese land forces have as yet left Japan; and that no more will be sent before <sup>Sunday</sup> today or Monday, if at all.

For <sup>him</sup> special guidance, I am stating to <sup>him</sup> ~~the~~  
 Consul General <sup>PS</sup> that: Jk4

QUOTE We wish you to understand accurately our views, so that in your necessary work of participation in the negotiations you may protect the American interests involved without permitting commitments or precedents which may be embarrassing in the future.

First. This Japanese proposal is in no sense an acceptance of the recent proposal of the four powers for a permanent termination of the controversy. It omits the vital consideration inuring to the benefit of the

Enciphered by 6

Sent by operator M. 246, 1943

1 1692

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

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

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Charge Department  
OR

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## TELEGRAM SENT

Department of State

- 3 -

Washington,

1-138  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Chinese. It must, therefore, be considered wholly as a proposal coming from Japan.

Second. Our interests, nevertheless, will be greatly benefited by a cessation of the hostilities which are now endangering the International Settlement, provided such a truce does not lay the foundation for a greater peril hereafter or obscure the principles which are now maintained for the protection of the International Settlement.

Third. With the foregoing in mind, (a) you should neither consent to nor, if possible, permit the landing of any new troops in the International Settlement except such as are designed for participation in the protection of the Settlement itself and are not intended for operations outside. If this principle is evidently to be violated, make an appropriate protest. (b) You should endeavor to secure as broad commitments as possible from both the Japanese and Chinese authorities to the effect that there shall be no interference with the neutral trade and commerce of the Port of Shanghai at any time, now or in the future; (c) you should endeavor to obtain commitments from the Japanese to the effect that none of the proposed new forces are intended for any permanent occupa-

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

1-138  
 PREPARING OFFICE  
 WILL INDICATE WHETHER

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TO BE TRANSMITTED  
 CONFIDENTIAL CODE  
 NONCONFIDENTIAL CODE  
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Collect  
 Charge Department

OR

Charge to  
 \$

## Department of State

- 4 -

Washington,

tion outside the International Settlement and that all of such forces over and above the ordinary garrison heretofore maintained will be withdrawn as soon as the emergency is over; (d) you should avoid any pressure upon the Chinese which may give them any opportunity for statement or belief that we have sided with Japan in forcing them to make a truce to their own disadvantage, or any pressure upon them for action on their part which is not necessary for the defense of our interests in the International Settlement; (e) if the negotiations result in a proposal of a neutral zone outside of the Settlement between the present combatant forces, said zone to be patrolled by neutral forces, the American authorities are authorized in their discretion to acquiesce and participate, provided the Chinese have consented to such a zone.

Keep us advised of the progress of the negotiations and report any difficulties to us for such assistance as we may be able to give you.

You should inform Admiral Taylor in confidence, regarding the above. For the moment the Japanese Government requests strict secrecy UNQUOTE.

FE:SKH/ZMF

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

m.m.m.  
FE

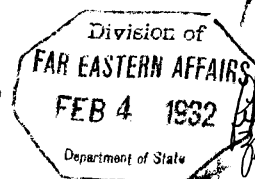
SKH

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. Lustigsm NARS, Date 12-18-75

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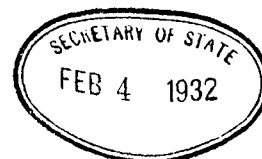
4 February, 1932.



The following radio was received from the Naval Attache,  
Peiping, dated 12:00 Noon, February 4th.

" JAPANESE MILITARY HARBIN HAVE REQUESTED TEN TRAINS  
FROM CHINESE EASTERN RAILWAY TO TRANSPORT TROOPS FROM ANGANCHI  
TO HARBIN. SOVIET RAILWAY OFFICIALS ACQUIESCE CHINESE REFUSE  
DESPITE OPEN THREATS JAPANESE MILITARY AND TRAFFIC WESTERN LINE  
ARE NOW STOPPED PRESUMABLY BY CHINESE MILITARY. GENERAL HONJO  
WROTE JAPANESE CONSUL GENERAL HARBIN REGRETTING SLOWNESS ARRIVAL  
JAPANESE FORCES. AMERICAN MISSIONARY AT CHIANGLI, BETWEEN SHAN-  
HAIKUAN AND LINGHOW, REPORTS THAT JAPANESE MILITARY ACTIVITY IS  
EXPECTED THAT AREA AND SOUTH ALONG RAILWAY TO TANGKU. JAPANESE  
JOURNALISTS HAVE BEEN REPORTED MISSING IN THAT AREA AND JAPANESE  
ARE DISSATISFIED WITH CHINESE INVESTIGATIONS.

793.94/4014  
BB



THE UNDER SECRETARY  
FEB 4 1932  
DEPARTMENT OF STATE

FEB 4 1932



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

35NPG RECEIVED IN SERVICE CIPHER

FROM: CINC ASIATIC  
ACTION: OPNAV



0001 CINC IN HOUSTON DEPARTED MANILA 1310 TODAY 1 FEBRUARY HAVING  
ON BOARD 248 MARINES AND 5 OFFICERS FROM CHAUMONT AND 75 MARINES  
AND 3 OFFICERS FROM CAVITE. EXPECT TO ARRIVE SHANGHAI ABOUT 1500  
3 FEBRUARY. 7 DESTROYERS ALSO DEPARTED MANILA FOR SHANGHAI PRIOR  
1300 1 FEBRUARY WILL PROBABLY ARRIVE 4 FEBRUARY. CHAUMONT WITH  
31ST REGIMENT ARMY ABOUT 1000 MEN AND 70 MARINES FROM CAVITE ON  
BOARD EXPECT DEPART MANILA 2 FEBRUARY 2010

ACTION 13

00 00A 01 10A 11 16 19 20 36 05

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0830 1 FEBRUARY 1932

S-E-R-V-I-C-E C-I-P-H-E-R

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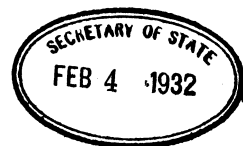
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

FROM: S IN C ASIANIC  
TO: OHLV



0004 JAPANESE HAVE REMOVED ALL OF THEIR IN TROOPS FROM  
AMERICAN AND BRITISH DEFENSE AREAS 1345

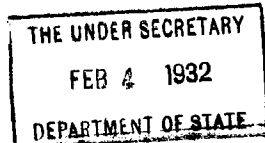


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By Milton O. Gustafson NARS, Date 12-12-75

FE

*Handwritten scribble*

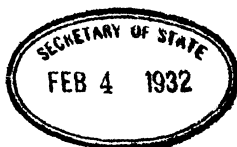
FEB - 4 - 5 - 00

770 NPG..... L Z C5Q PLAT V WICK GR12

FROM; SM PEARL HARBOR  
ACTION; ALL SHIPS AND STATIONS TB

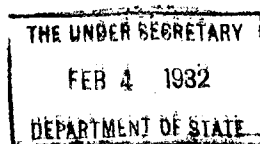
1703 SEVEN PEARL ARRIVALS AT HONGKONG STEWART FOURTH AT NANKING  
EUSEL 2230

0447 SJ 4FEB



38-ACTION

19 13



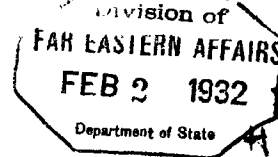
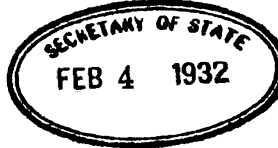
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By Milton O. Luitjens NARS, Date 12-18-75

21-1-NPG L Z 052 PLAT Y ICK GR 42

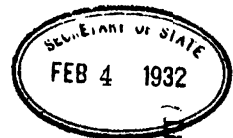
FROM: AMEMB, HONG KONG  
SUBJECT: 1701 TRO PERL



FE

793.94/4014  
g

1701 TRO PERL ARRIVED SECOND AT HONGKONG GOLDSTAR AT SHANGHAI  
CONDUCTED FOR THE 1701 FOURTEEN LEE AIRFIELD SHANGHAI  
SECURITY FROM THE CHRONICLE FOR THE 1701 EXPECT ARRIVE SHANGHAI  
FROM THE SHANGHAI POINT TANGHE FOR THE 1701 EXPECT ARRIVE  
SHANGHAI FEB 1932



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FEB 4 1932

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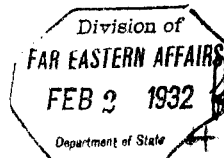
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

283 DEG

FROM LEGAL ATTACHE BEIJING

TO WASHINGTON

INFO CHIEF BUREAU

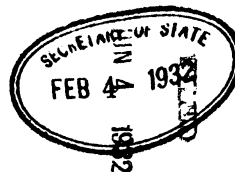


793.94/4014  
H

0002 SUBJECT RE ARRIVED BEIJING LAST EVENING FROM SHANGHAI  
BY CHANG HSUEH SHING AND OTHER OFFICIALS. CHANGHSUEH PRESS REPORTING  
MUCH IDENTICAL INFORMATION TO HIS RECENT. CHANGHSUEH REPORTS THAT  
OFFICIALS CHINESE EASTERN RAILWAY BEIJING REPORTED THAT THE  
RAILROAD CHANGHSUEH WOULD TRAVEL FOR THE FIRST TIME IN CHINA  
SOMEONE OBSERVED CHANGHSUEH SUBJECTS THAT WERE TO  
BE OBSERVED BY CRUSH AND CHANGHSUEH SUBJECTS MAY BE OBSERVED

AND SUBJECTS CHANGHSUEH WOULD BE OBSERVED

CHANGHSUEH WOULD BE OBSERVED



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

565 NPG

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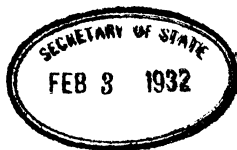
D7J

LARK

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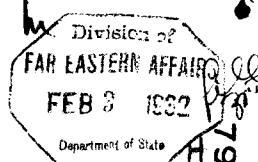
GR

43



FROM; FOURTH REGIMENT USMC  
ACTION; C IN C ASIATIC  
NF; COMYANGPAT, OPNAV

PRIORITY (B)



6603 CONFIRMING MY 6603 1510 ) FINITELY ARRANGED FOR ALL JAPANESE TROOPS  
TO EVACUATE MARINE SECTOR COMMENCEING AT ZERO EIGHT HUNDRED TOMORROW  
BRITISH FINISH TAKING OVER TONIGHT AT TWENTYFOUR HUNDRED JAPANESE  
TO CENTRAL BARRACKS MARINE SECTOR WHERE FULL EVACUATIONS WILL TAKE PLACE  
2305

2103 1A 3 FEB

13 ACTION

RECEIVED

FEB 3 - 1932

SECRETARY'S OFFICE

01 01 01 1A 11 16 19  
20 20A 38 05 ONI PRESS  
20B MCOIPS

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

630 NFG

XTM YT

Division of  
FAR EASTERN AFFAIRS

FEB 3 1932

Department of State

FROM: COMDT

SECRETARY OF STATE  
FEB 3 1932

TO : OPNAV

RECEIVED IN SERVICE CIPHER

NITE

0003 ADMIRAL SIR HOWARD KELLY CINC BRITISH NAVAL SQUADRON  
ON CHINA STATION IN HMS KENT ARRIVED MANILA 16 HOURS TUESDAY  
SECOND FOR FUEL AND SUPPLIES DEPARTED 2 HOURS THIRD FOR  
SHANGHAI 1600

ACTION 13

00 00A 01 10A 11 16 19 20 38 35

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1932 3 FEBRUARY 1932

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JUN 4 1932

FILED

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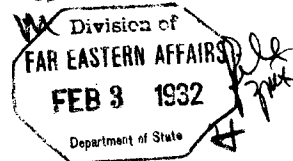


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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

181 MPG

L Z 051 PEAT V ICK GR 30

FROM; SM HONOLULU  
ACTION; ALL SHIPS & STATIONS  
(B)



1703 FIVE PEARL ARRIVALS AT SHANGHAI COMMANDER IN CHIEF IN HOUSTON  
DEPARTURES FOURTH FROM SWATOW STEAMER FOR HONGKONG FROM MANILA BLACKHAWK  
FOR SHANGHAI EXPECTED TIME OF ARRIVAL NINE FEBRUARY 0630

793.94/4014  
K

1253 WA 3 FEB

38 ACTION

10A 11 05 19 20 20A 20B 13 16

JUN 4 1932

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

6162 NPS

KT YT

FROM: USS SIMPSON  
TO : COMYANGPAT

RECEIVED IN 2-1-1982  
DEPARTMENT OF STATE  
OFFICE OF THE SECRETARY  
OFFICE OF THE ASSISTANT SECRETARY  
OFFICE OF THE CHIEF OF STAFF  
OFFICE OF THE CHIEF OF BUREAU  
OFFICE OF THE CHIEF OF BRANCH  
OFFICE OF THE CHIEF OF SECTION  
OFFICE OF THE CHIEF OF DIVISION  
OFFICE OF THE CHIEF OF BUREAU  
OFFICE OF THE CHIEF OF BRANCH  
OFFICE OF THE CHIEF OF SECTION  
OFFICE OF THE CHIEF OF DIVISION

INFO: COMDESR015-CINCASIPAC YANGPAT-4TH REGIMENT OPER

0030 CPM/ 0028 1500 TO CINCASIPAC AMERICAN CONSUL GENERAL  
HANKING SUGGESTS THAT A DESTROYER BE DETAINED TO WUHU AND ONE  
ADDITIONAL DESTROYER TO HANKING WHICH COULD BE SENT TO CHIN KIANG  
OR ELSEWHERE IF NEEDED. THE CONSUL GENERAL WISHES TO EMHASIZE  
THAT THE NEED FOR ADDITIONAL SHIPS IS LIKELY TO INCREASE MATERIALLY  
IN THE NEAR FUTURE DUE TO INCREASED ENEMY W. RAIL SPIRIT OF  
CHINESE ARMY AND POSSIBILITY THAT MILITARY OPERATIONS MAY BE EXTENDED  
FROM SHANGHAI UP THE YANGTZE 1800

ACTION 16

00 00Z 10JAN 16 19 20 00

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1215 30 JANUARY 1982

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FILED  
JUN 4 1982

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

394 NPG L 7 C5Q PMT V WICH GR 37

FROM SM HONOLULU  
ACTION ALL SHIPS AND STA

1702 THREE PEARL ARRIVALS SECOND HILLSBURY ANCHORED CAPE GOOD HOPE  
INSURED SHANGHAI DEPARTURES SIGHTED FROM SHANGHAI BEHEAD FOR DANKING  
FIRST LIEUTENANT COLONEL IN CHARGE. T. L. LORRAINE STANLEY  
MAY 1947

Division of  
**FAR EASTERN AFFAIRS**  
**FEB 2 1932**  
Department of State

793.94 / 4014

JUN 4 1932

**CHRYSLER**

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



1 07 INOC0

FROM: WESTERN UNION WASHN

WASHN DC FEB 4 1932

TO: COMMUNICATION OFFICER  
NAVY DEPT

RE:

WASHN DC

RE: INFORMATION 11-11-31 THE BALANCE OF THE COUNTRY AT 000  
FOR THAT CITY BUT BEING RECORDED

RE: WASHN DC

2115 P 4 F

TO: ACTION

19 40 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

20-A 20 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

JUN 4 1932

FILED

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N

THIS COPY FOR STATE DEPARTMENT

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

February 1, 1932.

Mr. Secretary:

This means:

The HOUSTON has left Manila with 331 marines and officers and expects to arrive Shanghai February 3 (our February 2).

Seven destroyers have left Manila and expect to arrive Shanghai February 4 (our February 3).

Transport CHAUMONT with about 1,000 men and 70 marines expects to leave Manila early February 2 (our February 1 -- today). No statement as to when CHAUMONT will reach Shanghai.

AY 1 FEBRUARY HAVING  
MONT AND 76 MARINES  
SHANGHAI ABOUT 1500  
FOR SHANGHAI PRIOR  
ARY CHAUMONT WITH 31ST  
M GAVITE A BOARD

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0830 1 FEBRUARY 1932

DEPARTMENT

4 1932

FE:SKH/ZMF

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

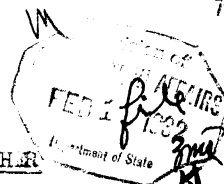
35 NPG

XT YT

FROM: CINCSASTIC

TO: OPNAV

RECEIVED IN SERVICE CIPHER



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0001 GING IN HOUSTON DEPARTED MANILA 1310 TODAY 1 FEBRUARY HAVING  
ON BOARD 248 MARINES AND 5 OFFICERS FROM CHAUMONT AND 76 MARINES  
AND 3 OFFICERS FROM CAVITE. EXPECT TO ARRIVE SHANGHAI ABOUT 1500  
3 FEBRUARY. 7 DESTROYERS ALSO DEPARTED MANILA FOR SHANGHAI PRIOR  
FEBRUARY WILL PROBABLY ARRIVE 4 FEBRUARY CHAUMONT WITH 31ST  
REINFORCEMENT ABOUT 1000 MEN AND 70 MARINES FROM CAVITE ON BOARD  
EXPECT DEPART MANILA PART 2 FEBRUARY

ACTION 12

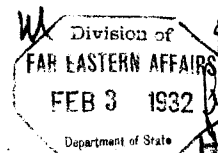
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0830 1 FEBRUARY 1932



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FEB 4 1932



FROM: CINCASIATIC

TO : OPNAV

0003 A CONFERENCE WITH COLONEL HOOKER AND AMERICAN CONSUL GENERAL HAS CONVINCED ME THAT THE SITUATION IS VERY SERIOUS AND THAT CONFLICTS HAVE BEEN AVOIDED ONLY BY THE TOLERANCE OF AMERICAN AND BRITISH DEFENSE FORCES. FOR THE FOLLOWING REASONS AMERICAN LIVES AND PROPERTY INTERESTS ARE IN DANGER:

1. JAPANESE RETREAT TO THEIR SECTOR WHEN DRIVEN BACK AND USE ROAD LATTER OUTSIDE THEIR SECTOR UNTIL LATER CLOSED. E.O. 11652, Sec. 3(E) and 5(D) or (E)

2. JAPANESE BOMBING PLANES FLY OVER SETTLEMENT USE By OSD letter, May 3, 1972 NAME Date 1972

ON JAPANESE MILLS IN AMERICAN SECTOR TO REACH OBJECTIVE DROPPING BOMBS IMMEDIATELY AFTER CROSSING LINE IN DANGER TO SETTLEMENT AND CAUSING CHINESE ANTIAIRCRAFT SHELLS TO FALL IN SETTLEMENT.

3. IN SPITE OF ~~THE~~ PROMISES JAPANESE SEND ARMED PATROLS THROUGH AMERICAN AND BRITISH SECTORS THESE PATROLS HAVE MURDERED SEVERAL PEOPLE.

4. LARGE AMOUNT OF PROPERTY HAS BEEN DESTROYED BY BOMBING AND BURNING AND MANY CHINESE KILLED PART OF THESE IN JAPANESE PART OF THE SETTLEMENT.

5. JAPANESE POSITION NOW SUCH THAT IN FIRING ON RAILROAD STATION OVERS FALL IN AMERICAN SECTOR.

WITH SHIPS AND PLANES JAPANESE NOW ATTACKING WOOSUNG FORTS, CAUSING ME TO PROTEST TO JAPANESE SOPA ON ACCOUNT OF THE SHELLS FALLING NEAR PARROTT WHICH IS MOORED TO TEXAS COMPANY DOCK. I CONSIDER ONLY DRASTIC ACTION ON THE PART OF THE GOVERNMENT WILL CAUSE CESSATION OF JAPANESE ACTIONS. THOUGH THE CHINESE POINT OUT THE DIFFICULTY, IF THE JAPANESE CONTINUE THE PRESENT PROCEEDURE, THEY HAVE SHOWN EVERY DESIRE TO OBSERVE THE NEUTRALITY OF THE SETTLEMENT. A PROTEST TO

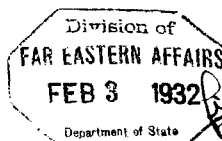
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

CONFIDENTIAL

SHEET 2



japanese AGAINST FURTHER USE OF SETTLEMENT AS A BASE OF OPERATIONS  
SHOULD BE MADE. I HAVE RECOMMENDED TO AMERICAN CONSUL GENERAL THAT  
CONSULAR BODY PRESENT THIS PROTEST. 1921

DISTRIBUTION

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1000 3 FEBRUARY 1932.

13.....ACTION

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

Op-13/PS

Chief of Naval Operations **H. M. LAMMERS**  
by direction

3 February 1932

CINC ASIATIC

ACK



RESTRICTED

Priority

0003 YOUR 0003 1921 WHEN YOU EXCHANGE CALLS WITH VICE ADMIRAL NOMURA THE  
NEW COMMANDER OF THE JAPANESE NAVAL FORCES IN THE YANGTZE AREA PLEASE  
PRESENT MY COMPLIMENTS AND STATE THAT I HAVE EVERY CONFIDENCE IN HIS AND  
YOUR ABILITY TO FIND SOME HAPPY SOLUTION OUT OF THIS TANGLED SITUATION  
AROUND SHANGHAI WHICH WILL GUARANTEE NEUTRALITY AND SAFETY OF INTERNATIONAL  
SETTLEMENT 1300

CC: State Dept. (via Op-13) ✓  
Op-10.  
Op-11.  
Op-16.

JUN 4 1932

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

By man, NAME Date Mar 19,  
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

Op-13/PS

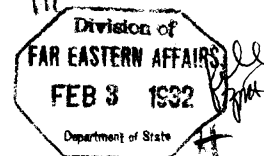
Chief of Naval Operations

CINC ASIATIC

ACK

3 February 1932

RESTRICTED



Priority

793.94/4014  
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0003 WHEN YOU CONFER WITH BRITISH MILITARY AND NAVAL AUTHORITIES PLEASE  
ASSURE THEM OF ONE HUNDRED PERCENT NAVAL AND MILITARY COOPERATION WITH  
THEM IN PRESERVING THE NEUTRALITY AND SAFETY OF THE INTERNATIONAL  
SETTLEMENT AT SHANGHAI 1400

CC: State Dept. (via Op-13).  
Op-10.  
Op-11.  
Op-16.

*W. H. Johnson*

OSD letter, May 3, 1932

Mar 19,  
1973

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



TO: SECRETARY OF STATE  
FROM: CHIEF OF CONSUL  
SUBJECT: [illegible]

[Faint, mostly illegible typed text, likely the body of a diplomatic note.]

793.94/4014  
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JUN 4 1932

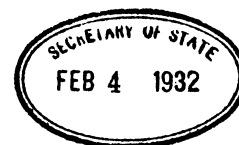
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75



793.94/4014  
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JUN 4 1932

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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. Lustigson NARS, Date 12-18-75

From: Chief of Naval Operations

1 February 1932



CINC ASIATIC

USS SIMPSON  
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Priority

1301 DEPARTMENT DESIRES TO BE KEPT INFORMED REGARDING SAFETY OF AMERICANS  
AND OTHER FOREIGNERS AT NANKING 1650

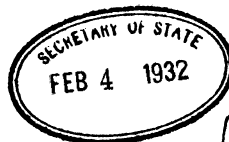
CC: State Dept. (Via Op-15)  
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Op-16.

793.94/4014  
W

JUN 4 1982

BT-10

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



~~SECRET~~

793.94/4014  
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JUN 4 1932

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

FE

FROM SINC ASIATIC

TO OPIAV

PRIORITY



793.94/4014

0004 JAPANESE POSTS AND PATROLS HAVE BEEN PLACED IN THE  
BRITISH AND AMERICAN SECTORS THIS GIVES A FEEL OF FIELD AND  
PREVENTS THEIR USE TO DISPLAY PANELS FOR AIRCRAFT AND  
ELIMINATES DANGER WHICH OTHERWISE WOULD BE OF PLANE ATTACK THIS  
GREATLY EASES SITUATION. WOODMEN FORMS AGAIN UNDER PROTECTION  
FROM CRUISE AND DESTROYERS NO PLANE IN EVIDENCE  
WEATHER UNFAVORABLE. 1239

AND IN CASE LOG IN SERVICE CENTER AT 0240 4 FEBRUARY 1932

12.....

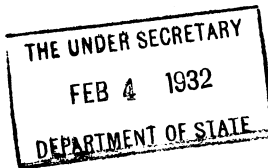


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JUN 4 1932

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FROM SING ASIATIC  
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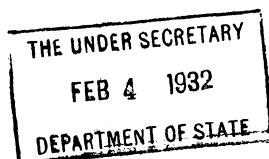
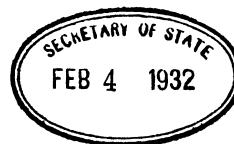


000- 3 CANNIBES & DESTROYERS AND 1 AIR TRAILER STOPPED  
BY HOUSTON SEVERAL MILES BELOW MOBILE UNDER COMMAND VICE  
ADMIRAL BOWEN. THIS FORCE WAS FOR BATTLE AND DESTROYED  
THE TWO BRIGADES IN BOWEN OFF BOWEN AND CARRIED BOWEN  
SARANGA IN DIRECT COMMAND BY ASHORE 1932

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JUN 4 1932

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THIS COPY SENT STATE DEPARTMENT

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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



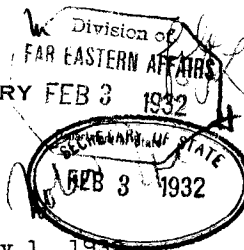
DEPARTMENT OF STATE  
THE UNDER SECRETARY FEB 3 1932

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FEB 2 - 1932

SECRETARY'S OFFICE

February 1, 1932.



Handwritten: \$, FE, DCR

Handwritten: Copies Being Forwarded 793.94 note 843.1075

Memorandum of conversation with M. Henry, of the French Embassy, February 1.

In the absence of the Ambassador M. Henry came in to read me certain telegrams concerning French action in Japan with regard to Shanghai. These telegrams pointed out that the British Ambassador in Paris had asked the French Government to cooperate with the British Government in bringing strong representations to bear in Tokyo concerning the situation in Shanghai, particularly as it might affect the International Settlement. Twice the French Government instructed its Ambassador in Tokyo to make such representations which had to do, of course, with the French Concession which adjoins the International Settlement. M. Henry said that his Government was keenly alive to whatever affected the Settlement would also affect the French Concession.

He then read me a telegram in answer to one which he had sent pointing out to the French Government that there was a strong press campaign in the United States, particularly pressed by the Hearst newspapers, asserting that

793.94/4015

Handwritten: FEB 15 1932

DEPARTMENT OF STATE  
THE UNDER SECRETARY

2

that France was not cooperating with the other nations in China for the reason that it had an understanding with the Japanese. The answer to this telegram instructed the Embassy to deny categorically any such assertions; the French Government stated that it was just as "absurd" to say that the French had any understanding with Japan with regard to Manchuria or China in general as it was to say that France had an agreement with Japan to block the proceedings in Geneva at the Disarmament Conference. The French Government categorically denied both these allegations.

The Secretary came in to my office and M. Henry read him parts of these telegrams, stating that he or the Ambassador would bring in during the afternoon a written memorandum covering some of these points.

W. R. Castle, Jr.



U WRC/AB

February 8 1932.

No. 941

STRICTLY CONFIDENTIAL.

Norman Armour, Esquire,

American Chargé d'Affaires ad interim,  
Paris.

Sir:

793.94/4015

There is enclosed, for your strictly confidential information, a copy of a memorandum of a conversation which took place between M. Jules Henry of the French Embassy and the Under Secretary of State, on February 1, 1932, concerning French action in Japan with regard to Shanghai.

Very truly yours,

For the Secretary of State:

W. R. Castle, Jr.

1 enclosure:

Copy of memorandum.

U VC/AB

FE

19.7.14.

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793.94/4015

DECLASSIFIED: E.O. 11652, 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 8 1932.

No. 241

STRICTLY CONFIDENTIAL.

The Honorable

W. Cameron Forbes,

American Ambassador,

Tokyo.

Sir:

There is enclosed, for your strictly confidential information, a copy of a memorandum of a conversation which took place between M. Jules Henry of the French Embassy and the Under Secretary of State, on February 1, 1932, concerning French action in Japan with regard to Shanghai.

Very truly yours,

For the Secretary of State:

*W. C. Forbes*

1 enclosure:

Copy of memorandum.

U VC/AB

*WF: WAF*

*RAM  
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M.M.H.*

*HAB.*

*CR  
Law*



793.94/4015

February 8 1932.

No. 681

STRICTLY CONFIDENTIAL.

The Honorable

Nelson T. Johnson,

American Minister,

Peiping.

Sir:

793.94/4015

There is enclosed, for your strictly confidential information, a copy of a memorandum of a conversation which took place between M. Jules Henry of the French Embassy and the Under Secretary of State, on February 1, 1932, concerning French action in Japan with regard to Shanghai.

Very truly yours,

For the Secretary of State:

1 enclosure:

Copy of memorandum.

U VC/AB

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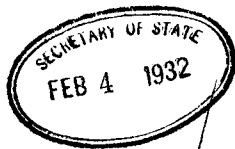
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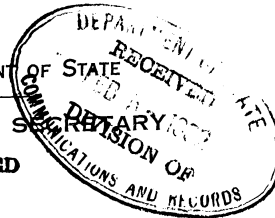
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Feb 8 1932

793.94/4015

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



DEPARTMENT OF STATE  
THE UNDER SECRETARY OF  
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FEB 3 - 1932

February 2, 1932.

SECRETARY'S OFFICE

Memorandum of telephone consideration with M. Henry,  
of the French Embassy, February 2.

M. Henry telephoned me to say that they had a telegram stating that the British Ambassador in Paris had called vigorously to the attention of M. Laval the situation in Shanghai, especially as to the International Settlement. The British Ambassador was very strong in his remarks about the way the Japanese were using the Settlement. He asked M. Laval, therefore, to make another protest to the Japanese and M. Laval sent a very strong telegram to the Ambassador in Tokyo, instructing him to inform the Japanese Government that the French Consul in Shanghai had been told to keep in very close touch with his colleagues in the International Settlement during the present crisis. The Ambassador was also instructed to say that the French Government considered it imperative that the Japanese naval administration should be told under no circumstances to use the Settlement as a base.

W. R. Castle, Jr.

U WRC/AB

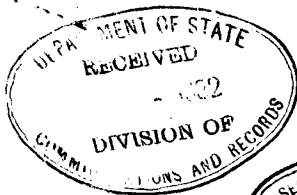
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75



DEPARTMENT OF STATE  
THE UNDER SECRETARY



February 2, 1932.

793.94  
notes

Memorandum of conversation with the Japanese Ambassador,  
February 2, 1932.

The Ambassador, who had evidently had no recent word from Japan, came to tell me what he thought about the joint note presented yesterday to Yoshizawa. He said that, inasmuch as the Japanese Government had asked for the good offices of the different nations in putting a stop to the fighting at Shanghai, he felt in the first place that it would not be possible for the Japanese Government to take offense, but it rather should be grateful for the very prompt response. He said that, in his personal opinion in studying the note, it seemed to him that the Japanese Government ought to be able promptly to answer favorably the first four points, that he felt the fifth point to be more difficult for them to accept. I said that I realized this, but that, nevertheless, we believed the fifth point to be of the highest importance because what we hoped might come out of this was a real settlement of the various questions at issue. The Ambassador said that he understood this, but that what he felt to be of immediate importance was the prompt acceptance of the four points which would put an end to fighting, that this would

give

793.94/4017

793.94/4017



DEPARTMENT OF STATE  
THE UNDER SECRETARY

2

give time for the Japanese Government to consider the fifth point in a better atmosphere than was at present possible. He said that he could not feel that the Cabinet would, off hand, accept the fifth point. I told him that, of course, I could make no comment on this, but that if he was correct I hoped most earnestly that, in making an answer, the Japanese Government would find it possible frankly and fully to accept the four points and that they would not refuse to accept the fifth point, but would state instead that they would be happy to take it under consideration and to discuss the matter with the powers. Mr. Debuchi said that this was what he was cabling or had cabled his Government and that he had come to see me largely to find out whether we really laid stress on the fifth point as I told him we did.

893.1025  
The Ambassador then brought up the fact of the appointment of Admiral Nomura to Shanghai to have general charge of operations there as something very favorable to the whole affair. Admiral Nomura, he says, is a great friend of Admiral Pratt's, who would, he was sure, endorse the Admiral's competency and fair mindedness. He then said that he himself felt it would be a good idea to have

DEPARTMENT OF STATE  
THE UNDER SECRETARY

3

893.0146  
have all the Japanese troops go into the Settlement, where they would not be able to fight with the Chinese. I told him that it would seem to me wiser to have the Japanese sailors and Marines, if there were any, get back onto their ships rather than to crowd into the Settlement; that I felt if enormous numbers of Japanese troops went into the Settlement the result might be to bring fighting into the Settlement. He admitted that this might be the case, since, as he put it, "when Japanese troops got anywhere they always seem to feel they have got to do something." He pointed out also that wherever there were Japanese troops there was likely to be sniping on the part of the Chinese. I admitted this and said this was one excellent reason for the establishment of neutral zones across which there would be no sniping either from one side or the other.

✓ The Ambassador brought up a report that certain Japanese land forces had already been despatched to Shanghai. He said that, although he could not deny this officially, he felt it was premature, that it would have been impossible for Japan to ask for good offices and then immediately despatch an expeditionary force. I told him I hoped he was correct. He said that undoubtedly the sending of a regiment  
from

DEPARTMENT OF STATE  
THE UNDER SECRETARY

4

from Manila would make the Japanese feel that, to protect their 25,000 nationals in Shanghai, they also should send land forces. I told him that the only reason we sent land forces was that they were the only ones immediately available and that obviously more assistance was needed in the Settlement. He said he understood this perfectly himself and was trying to make it clear to his Government.

In leaving the Ambassador said that he would, of course, pass on to us any information which came to him and that he in the meantime would again telegraph very urgently to his Government not to throw down point five of the joint note.

W. R. Castle, Jr.



U WRC/AB

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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 8 1932.

No. 247

STRICTLY CONFIDENTIAL.

The Honorable

W. Cameron Forbes,

American Ambassador,

Tokyo.

Sir:

793.94/4017

There is enclosed, for your strictly confidential information, a copy of a memorandum of a conversation which took place on February 2nd between the Japanese Ambassador and the Under Secretary concerning the Sino-Japanese controversy.

Very truly yours,

For the Secretary of State:

W. R. CASTLE, JR.

1 enclosure:

Copy of memorandum. (in 200)

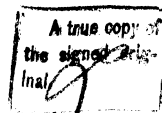
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m.m.H.

Feb. 8. 1932. P.M.



793.94/4017

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

February 8 1982

No. 687

STRICTLY CONFIDENTIAL.

The Honorable

Nelson T. Johnson,  
 American Minister,  
 Peking.

Sir:

793.94/4017

793.94/4017

There is enclosed, for your strictly confidential information, a copy of a memorandum of a conversation which took place on February 2nd between the Japanese Ambassador and the Under Secretary concerning the Sino-Japanese controversy.

Very truly yours,

For the Secretary of State:

W. A. CASTLE, JR.

1 enclosure:

Copy of memorandum.

U VC/AB

Feb 8, 1982 P.M.

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A true copy of  
 the signed original

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

893.1025  
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1932

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 3, 1932

Mr. Secretary:

The grand total of foreign population  
at Shanghai, including those located in the  
International Settlement, the French Conces-  
sion and the Chinese area, and including both  
civilians and armed forces is 72,671.

Of these, 13,386 are armed forces;  
25,650 are Japanese civilians.

The total of foreign civilians other  
than Japanese is approximately 35,000.

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FEB 3 - 1932

SECRETARY'S OFFICE



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FEB 8 1932

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

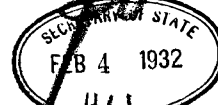


DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 3, 1932

CIVILIAN FOREIGNERS IN SHANGHAI



393.11

Nationality	International Settlement	French Concession	Chinese Area	Total
Americans	1,608	1,541	465	3,614
Filipino	387	---	---	387
Japanese	18,478	318	6,854	25,650
British	6,221	2,219	891	9,331
Indian	1,842	---	---	1,842
Russian	3,487	3,879	321	7,687
Portuguese	1,333	267	514	2,113
French	198	1,208	370	1,776
Annamite	---	941	---	941
German	833	597	180	1,610
Danes	186	164	---	350
Italian	197	123	---	320
Poles	187	156	---	343
Dutch	82	108	43	233
Spanish	148	73	---	221
Others	1,285	1,338	244	2,867
Total	36,471	12,932	9,882	59,285

F/L S 793.94/4018

ARMED FORCES (FOREIGN) AT SHANGHAI

593.0146

Nationality	Strength as of January 1, 1932	Additions	Total
American	1,300 (Marines)	400 (Marines)	2,700
British	2,250 (Army)	1,050 (Army)	3,300
French	960 (Army)	1,600 (Army)	2,560
Italians	---	160 (Marines)	160
Total of Regular Military (White)	---	---	7,720
Shanghai Volunteer Corps (Mobilized January 30, 1932.)	---	---	1,746
Total Armed Forces, Exclusive of Japanese.	---	---	9,466
Japanese	920 (Blue Jackets)	3,000 (Blue Jackets) Feb. 1, 1932	3,920
Total of All Armed Forces	---	---	13,386

793.94  
793.94  
DEPARTMENT OF STATE

FOR THE PRESS

JANUARY 29, 1932

Sino-Japanese Conflict

STATEMENT BY THE SECRETARY OF STATE:-

Several days ago when the situation first became acute, I consulted with the British Ambassador in regard to the crisis at Shanghai and asked him to confer with his Government. I discussed with him the making of representations to Japan that in view of the efficient police and other sources of protection already available in the international settlement, there should be no military occupation of that settlement by Japan unless the municipal force became clearly inadequate to protect life and property.

On Wednesday our Government made such a communication to Japan and we have now received an answer assuring this Government that the international rights and interests in Shanghai would not be interfered with. I learn this morning from the British Ambassador that his Government has made the same suggestions to Japan that were conveyed by ourselves. An informal communication such as we made to the British has been made by both Great Britain and ourselves to France and Italy. No other proposals for international action have been made by the American Government.

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793.94/4019

FEB 6 1932

FILED



No. 123

DIVISION OF  
LATIN AMERICAN AFFAIRS

FEB 10 1932

AMERICAN DEPARTMENT OF STATE

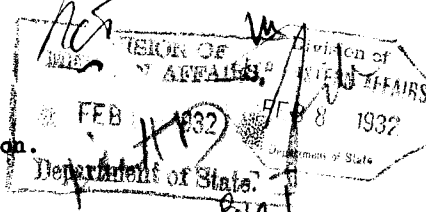
Monterrey, Mexico, February 1, 1932.

SUBJECT: Newspaper Article Comparing Attitude of United States  
Towards Japan and Mexico Respectively.

The Honorable

The Secretary of State,

Washington.



I have the honor to enclose herewith a clipping, with translation, from the more important local newspaper "El Porvenir" published in its issue of January 31st. This contains an article by a regular contributor doubtless of the editorial staff. The article is entitled "Un tópico cualquiera" (Any old topic) and make an invidious comparison between the attitude of the United States towards Japan at the present time with that of the United States towards Mexico in 1914.

In this connection it may be noted that the local newspapers have been prominently featuring news from Shanghai with captions to give the impression that war is eminent between the United States and Japan.

Respectfully yours,

*Edward I. Nathan*  
Edward I. Nathan,  
American Consul.

Enclosures:

Clipping from "El Porvenir".  
Translation of above.

File 800,  
EIN/ERA.

In quintuplicate to Department.  
Copy to Embassy.  
Copy to Consul General.

F/LS 793.94/4020

FILED

Clipping from EL PORVENIR of Monterrey, Mexico,  
January 31, 1932.

PAGINA TRES

## un tópico cualquiera

por el abate Sleyés.

### diferencias...

Por mar, por tierra y por aire, las tropas japonesas han atacado Shanghai.

Shanghai es la plaza comercial de mayor importancia de la Asia oriental, y se encuentra dividida en dos grandes zonas: la habitada por los amarillos (chinos) y la habitada por los blancos (ingleses, franceses, italianos y norteamericanos) siendo aquella la de mayor extensión pero siendo ésta la más importante. Llámasele el "barrio internacional", pero no es un simple barrio, sino una verdadera ciudad de corte europeo con soberbios edificios, elegantes paseos y monumentos.

En el "barrio internacional" hay (¡había...) un edificio llamado la Misión norteamericana. Este edificio acaba de ser pasto de las llamas, incendiado por el bombardeo de los aviones de la flotilla aérea japonesa.

Las tropas japonesas han violado por lo mismo la neutralidad del barrio internacional de Shanghai, y han hecho pedazos un edificio amparado por la bandera norteamericana.

Por muchísimo menos, el gobierno de los Estados Unidos, sin aguardar explicaciones de ningún género, hubiera vaciado ya todos los proyectiles de todos los cañones de todas sus divisiones navales sobre los responsables de un atentado como el cometido en Shanghai, siempre que los responsables en lugar de llamarse japoneses se llamaran haitianos, dominicanos, nicaraguenses, o mexicanos. Pero ante lo ocurrido en Shanghai, el gobierno de los Estados Unidos, no sabiendo en qué forma interpretarlo... ha dirigido una nota al gobierno japonés preguntando que qué intenciones tiene.

¡Admirable prudencia la de los americanos, y admirable contraste el de esta actitud suya, imponderablemente reposada y juiciosa, con la actitud altiva y el rápido

proceder que han seguido con "sus hermanas" de América...

No hace mucho, unos soldados japoneses, abofetearon públicamente a todo el señor cónsul de los Estados Unidos en una de las ciudades manchurianas, y entonces, como ahora, el gobierno de la Casa Blanca, no se dió por ofendido. En cambio, allá por Abril de 914, ese mismo gobierno, considerando un ultraje a la dignidad nacional norteamericana el hecho de que se detuviera en Tampico a un oficial y dos soldados de las fuerzas de infantería de marina, porque habían desembarcado con armas, exigió la reparación inmediata del "ultraje" pretendiendo que la bandera de los Estados Unidos fuera izada en Tampico, que le hicieran honores las tropas federales mexicanas y que se le saludara con una salva de veintidós cañonazos. México se negó a ésta humillación, pero pocos días después la escuadra americana se presentaba frente a Veracruz, abría el fuego de sus cañones sobre la plaza, y hacía desembarcar tropas que la ocuparon.

El mismo procedimiento, por ultrajes a la dignidad nacional norteamericana mediante las bofetadas al cónsul y el bombardeo de la misión de Shanghai, podía haber seguido ya ante el gobierno nipón el de la Casa Blanca. Pero al Japón no se le ha exigido que sea izada la bandera de los Estados Unidos en las unidades navales que bombardearon el puerto de Shanghai, ni que las tropas del Mikado le rindan honores, ni que se le saluden con salvas de veintidós cañonazos. La Casa Blanca, con una donosura encantadora y una ingenuidad que cautiva, se ha limitado a preguntar cortésmente al gobierno japonés que qué intenciones tiene...

Verdaderamente, tanta amabilidad nos confunde...

T R A N S L A T I O N .

Any Old Topic

by Abbot Sieyès.

- - - - -  
Dissimilarities.

By sea, by land and by air, the Japanese troops have attacked Shanghai.

Shanghai is the commercial center of greatest importance in oriental Asia and is divided into two great zones: that inhabited by the yellow (Chinese) and that inhabited by the whites (English, French, Italians, and North-Americans) the first being of greatest area but the second being of greatest importance. It is called "International Settlement" but it is not a simple settlement but is a real city of the European type with superb buildings, elegant streets and monuments.

In the "International Settlement" there is (there was!) a building called the American Mission. This building has just become fuel for the flames, set afire by the bombardment of the airplanes of the Japanese air fleet.

The Japanese troops have violated, at the same time, the neutrality of the International Settlement and have destroyed a building protected by the American flag.

For very much less the Government of the United States, without awaiting explanations of any kind would have emptied by now all the projectiles of all the guns of all its navia vessels upon those responsible for an assault like that committed in Shanghai, if these responsible therefor instead of being called Japanese were called Hataians, Dominicans, Nicaraguans, or Mexicans. But confronted with that which has happened in Shanghai the Government of the United States, not knowing how to interpret it, has sent a note to the Japanese Government asking what its intentions are.

Admirable prudence, that of the Americans, and what an admirable contrast is their attitude, imponderably calm and careful, with the haughty attitude and swift procedure that they have pursued with "their sisters" of America!

Not long since some Japanese soldiers publicly manhandled a Consul of the United States in one of the cities of Manchuria, and then, as now, the Government of the White House does not feel offended. On the other hand, back there in April 1914, this same Government, considering an outrage to the American national dignity the fact that there were detained in Tampico an officer and two soldiers of the Marine Corps, because they had disembarked with arms, demanded immediate reparation for the "outrage" demanding that the flag of the United States be raised in Tampico, that it be given honors by the Mexican Federal troops and that it be given a salute of twenty one guns. Mexico refused to humiliate itself thus but a few days afterwards the American fleet arrived before Veracruz, opened fire upon the city with its guns, and disembarked troops which occupied the city.

The same procedure, for outrages to the American national dignity by means of the manhandling of the consul and the

Bombardment

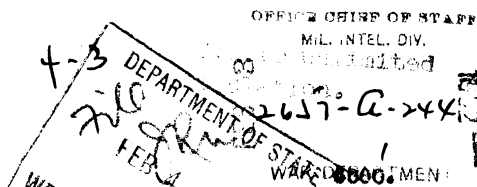
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

bombardment of the Mission at Shanghai, could have been followed against the Japanese Government by that of the White House. But of Japan it has not been demanded that the flag of the United States be raised by the naval vessels that bombarded the port of Shanghai, nor that the troops of the Mikado give it honors, nor that it be saluted by a salvo of twenty-one guns. The White House, with an enchanting gracefulness and a frankness which overcomes one, has limited itself to asking courteously of the Japanese Government what its intentions are.

Truly, such amiability perplexes us.

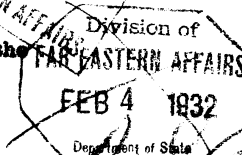
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75



ENGLAND (MILITARY)

Divided British Sentiment on the  
Manchurian Situation.



The British press and people have not come to the adoption of a unified opinion on Japanese actions in Manchuria. While by some Japan is regarded with suspicion as the "Rising Sun" of the East, and tales are circulated of the Japanese purchase of the hills overlooking Singapore, by others Japan is regarded as the stabilizing element of the Orient. The first extract below is from "The Economist" of January 9th. This paper has resented Japan's defiance of The League and foresees a hostile reception in Australia, New Zealand, and Canada of the news of British non-participation in Mr. Stimson's protest. The extract follows:-

"Having turned out of Manchuria all the civil and military representatives of the extinct local Chinese Government at Mukden, the Japanese evidently design to control the country through tame Chinese provincial governments "hand-picked" by the Japanese authorities and dependent for their existence upon Japanese support. Thereupon, the Japanese look forward to withdrawing their own troops into their treaty zone and informing the Council of the League that the judicial status quo has been restored. Thereafter, Japan has only to make any intrusion upon Manchuria from China Proper a *casus belli*, and Manchuria is in her pocket. It is a pretty plan, but the intractable element in the situation is the anarchy and brigandage in the Manchurian countryside which the Japanese are fostering by their very attempts to clear it up. Whether or not the Japanese troops are withdrawn, it seems probable that Manchuria will be ravaged by guerilla warfare far more cruelly under the new regime than she was before the Japanese coup. This calamity will be another blow to trade - Japanese trade in particular and international trade in general."

The second extract is from "The Army, Navy and Air Force Gazette", January 14th, and opens with a reference to British non-participation in America's protest:-

"Few people will disapprove of the attitude of the Foreign Office. The action of Japan, though possibly technically improper, does not show that she has any intention of departing from the policy of the "open door" in Manchuria. She has ended an intolerable situation and it may be claimed with justice that she has opened the door rather than shut it."

From: M.A. London.

Report No. 31669.

Date: January 19, 1932.

State

F/LS 793.94/4021

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

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Circulation.

- 2 -

Instead of complaining because Japan has refused to continue to accept insults and injury it would have been wiser if the signatories to the Nine-Power Treaty had made a common effort to enforce order in China. If the Japanese disregard the United States Note what possible action can be taken? It is unlikely that the United States will resort to force or that, if she did, other Powers would watch without intervention."

From: M.A. London.

Report No. 31669.

Date: January 19, 1932.

CORTLANDT PARKER,  
Lt. Col., F.A.,  
M. A., London.

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

RADIOGRAM

Received at the War Department

February 3, 1932.

9:30 A. M.

From Tokio

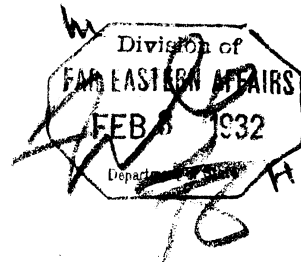
To The Adjutant General.

CONFIDENTIAL

Number 212. February 3d.

Best information here indicates Emperor yesterday approved expeditionary force to China proper. It is believed that probably at least one division is now en route to Nanking. It is rumored that Japanese residents in other cities clamoring for Japanese troops. Newspaper censorship continues. It is thought aggressive action at Shanghai was forced by business interests on account of boycott.

McIlroy



F/LS

793.94/4022

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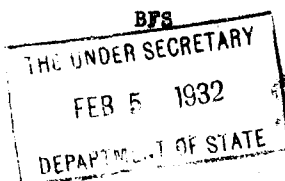
OSD letter, May 3, 1972

By L. H. H. H. H. NARS Date May 19, 1973

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

Code - Cablegram

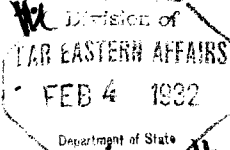
Received at the War Department



February 4, 1932.

~~SECRET~~

10:45 A.



From Tokio,

To The Adjutant General.

SECRET

Number 213. February 4th.

Definite information impossible to obtain since February 1st. On February 2d definite information available indicated destination as Shanghai. Beginning February 3d Japanese authorities appear to be conserving negotiations with powers that relate to Shanghai only leaving Japan free for aggressive operations elsewhere. This and other information indicated to us Nanking as destination. Foregoing reference your 307.

Following are extracts from statements made to-day by General Staff: Emperor has authorized ..... mobilization plan; tomorrow at 11:30 we will give you important information concerning unusual conditions; operations at present will be confined to the Shanghai area; Japanese navy has landed 4,000 marines at Shanghai; they should be replaced by soldiers as soon as possible; to avoid attacks by Chinese large force should be sent; Japanese army advancing on Harbin against severe weather and stubborn resistance by Chinese Eastern Railroad Guards continues.

American Naval Attache received following from reliable confidential sources. Army force of .... outside of and to north and west of Shanghai. This office estimates above to be vanguard of at least one war strength division which will begin to operate in the Yangtze Valley based on Wu Sung leaving Shanghai to be policed by allied forces. Undoubtedly other forces are under mobilization.

McIlroy.

F/LS 793.94/4023



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

N. N. I. 96  
 Revised Nov. 1-21.

ISSUED BY OFFICE OF NAVAL INTELLIGENCE, NAVY DEPARTMENT

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 (Commence new series each January first.) (Select proper number from O. N. I. index.)  
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## Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

## Discussion of Manchurian Situation.

With the uneventful occupation of Chinchow by the Japanese forces and the retreat of the Chinese forces, world interest in Manchuria, for the moment has subsided, but the work of the Japanese military in restoring peace and order has but begun and bids fair to require operations on a larger scale than the defeat of the regular Chinese army.

The Japanese forces have not only occupied Chinchow but Hulutao as well. Very little prominence was given the occupation of Hulutao which in reality is of far greater importance to Japan commercially than any other point recently occupied in Manchuria. It will be recalled that it was the proposed development of Hulutao as a commercial port by Chang-tso-ling as a direct threat to Dairen that was one of the many causes tending to bring about the recent occurrences in Manchuria.

In addition to occupying Hulutao the Japanese moved along the Peiping-Mukden railway and occupied a position some six miles from Shanhaikuan. No doubt the Japanese scheme of things includes possession of Shanhaikuan but since it is a treaty port any move for that purpose would complicate matters further and for the present, at least, will not be attempted.

The local Chinese (Japanese created) Government at Mukden has taken over that part of the railroad known as the Mukden-Peiping railroad as far as Shanhaikuan and changed name to Mukden-Shanhaikuan railroad. This road was originally built with British capital.

The vernacular press reports, and the best information indicates, that large numbers of bandits are operating to the northward and westward of Mukden as well as to northward of Chinchow. If the numbers and location of the bandits are as inaccurate as the official information was with reference to the number and location of the Chinese regulars in the vicinity of Chinchow prior to its occupancy very little credence can be given it. However, the Japanese have experienced fighting on a larger scale and their casualties have been greater than obtained in their engagement with the regular Chinese army.

Much propaganda has been issued in support of sending an additional division to Manchuria and the local press in support of this move refer to the necessity as being the first line of home defense.

The American note delivered to the Foreign Office on 8 January caused widespread comment and some expression of resentment.

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

N. N. I. 96  
Revised Nov. 1-21.

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The resentment was due to more than one cause. In the first place there was a natural feeling of interference on the part of a third party and brought to mind the result of the interference by Russia, France and Germany after the Chino-Japanese war of 1894 resulting in the return of Liaotung Province to China; secondly it was thought to give encouragement to China and strengthen her cause; thirdly the note contained a lengthy and somewhat involved sentence which was difficult to translate into Japanese and retain its real meaning.

The resentment aroused at first has subsided considerably and only the reactionary press feature it as interference while others give America credit for her consistent traditional Far Eastern policy in holding out for the Open Door, equal opportunity and China's sovereign rights.

To date the answer to the note has not been delivered here but the forecast is that it will be in the form of an announcement to the world powers as to Japan's general intentions in Manchuria and will probably be along the following lines:-

(1) Japan's action in Manchuria has been unavoidable and in self-defense and intend in no way to encroach upon China's sovereign rights. There is nothing in Japan's actions tending to infringe the articles of the Nine-power Treaty or the Kellogg Pact.

(2) The Imperial Government policy in Manchuria is to convert the Province into a paradise for Japanese as well as foreigners, where the principle of the open-door and equal opportunity shall be maintained.

(3) Since the Chinese administrative authority has been completely destroyed by the recent Manchurian incident the burden of maintaining peace and order there falls for the present, on the shoulders of the Japanese Government and that any actions on the part of the Government for this purpose do not justify intervention.

(4) The movement in Manchuria for the formation of a new Government is prompted by the aspirations of the Chinese in accordance with the principle of self-determination and ought not to be interfered with by any third party. Japan will render no aid to such a move.

### The Chamberlain incident.

Vice Consul Chamberlain recently appointed to the post at Harbin was attacked by two military police and a plain clothes man, a Japanese interpreter, on the main road of Mukden while going from the American Consulate to the railroad station enroute to his new post in Harbin on the morning of 3 January at about 6.30.

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Sheet No. 3.

The statements of the incident as given out by the Japanese Headquarters' spokesman and the detailed account by Chamberlain are quite at variance.

The statement of the former claims that Chamberlain when the car in which he was riding was challenged was arrogant in attitude in identifying himself and later attempted to draw a revolver. The attack on him was to prevent his drawing the weapon.

Chamberlain's detailed statement is to the effect that while going from the American Consulate in Mukden to the railway station in a motor owned by the American Consul and so marked he was challenged by the Japanese sentries at about 6.30 in the morning. The driver immediately stopped the car and was questioned by two Japanese police in uniforms and a civilian interpreter. The driver explained who the occupant of the car was and where he was going. The interpreter opened the door of the car and began to question Chamberlain, speaking a Chinese that the latter did not thoroughly understand - Chamberlain speaks Chinese. Chamberlain showed official card and passport as identity but was further questioned by the interpreter. In the meantime the soldier-police kept rifles leveled on Chamberlain.

After waiting some five minutes and after telling the interpreter that he would miss his train if further delayed Chamberlain ordered the driver to proceed but the car was prevented from advancing by the sentries barring the way with loaded rifles.

Chamberlain got out of the car and asked or demanded the identity of the interpreter who was delaying him without just cause. The latter sneeringly refused and without provocation struck Chamberlain in the face, while the latter was still covered by the sentries leveled rifles. Chamberlain then got back into the car and was followed by the interpreter who continued to strike him about the head and face. One of the sentries moved to the opposite side of the car, opened the door and also struck Chamberlain. The car was considerably scratched and dented by the sentries bayoneted rifles. Chamberlain offered no resistance and after some further delay the car was permitted to proceed still covered by rifles.

Chamberlain returned to the Consulate to report the matter and for first aid treatment. His face was cut and bruised but no serious damage done.

The American Consul accompanied by Chamberlain called on the Japanese Consul General at Mukden on the same day to make a personal representation of the case. The Japanese Consul General called in the afternoon of the same day to express regret and to say offenders would be punished. The two sentries were to be court-martialed and that the interpreter had been dismissed but since

Director	Desk A-B-C-D-E-F-G-H-I	Monograph	File	Historical	Operations	Gen'l. Board	War College	M.I.D.	Y.&D.	Nav.	Ord.	C.&R.	Eng.	S.&A.	M.&S.	Aero.	U.S. M.C.	H.O.
Inventions	Oil	Commander in Chief	Atlantic	Pacific	Asiatic	Commander	S.S.S.	European	Attaché at	State	Justice	Inter.	Com.	Labor	Ship Board	Return to Room No.		

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4-8202

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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

N. N. I. 96  
Revised Nov. 1-21.

ISSUED BY OFFICE OF NAVAL INTELLIGENCE, NAVY DEPARTMENT.

## ATTACHE'S REPORT BLANK

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From ..... Date ....., 19..... Serial No. 8 File No. ....  
(Commence new series each January first.) (Select proper number from O. N. I. index.)

Source of information .....

Subject .....  
(Nation reported on.) (Index title as per index sheet.) (Subtitle.)

### Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Sheet No. 4.

he was in the employ of the military he too would be court-martialed. Other offenders who were to be punished for the affair were the Major General commanding at Mukden and the officer, a Major directly in command of the military police. These two latter officers were to call on the American Consul to express regret for the occurrence.

Chamberlain proceeded to Harbin in the afternoon of the same day and the Japanese Consular official at Harbin was directed to call on the American Consul and express regrets.

The punishment of the two ranking officers referred to will probably be remitted at request of our government.

While the details of the incident has some serious features it has not had serious effect here except, to some degree in diplomatic channels. Its widespread publicity was unfortunate and can be attributed either to the Japanese involved trying to cover, which is characteristic, or to the war correspondents in Manchuria lacking in headline material since Chinchow was finished.

Personal conviction is that the incident may be attributed to intoxication on the part of the interpreter, and perhaps as well of the sentries, some anti-American feeling and a lack of ability to converse. A combination of the three is more likely.

### Visit of Soviet Ambassador to the Foreign Office.

More than usual publicity has been given to a visit made by the Soviet Ambassador to the Foreign Office here on the 12th instant.

The press reported the conversation as referring to the relationship of China, Russia and Japan in North Manchuria in which the Soviet Ambassador is reported to have expressed hope that everlasting friendly relations between Japan and Russia be maintained in that region so that no opportunity would be left for acts of interference planned by a certain capitalistic country (United States).

The report continues to note that there has been a noticeable tendency in Russian diplomacy of recent to assert particularly friendly relations with Germany and Turkey in Europe and Japan in Asia.

A very reliable source states that the Soviet Ambassador was highly indignant not only because his conversation was reported at all but also for its having been reported incorrectly; his sole conversation was with reference to Japan's intentions in North Manchuria.

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Inven-tions	Oil	Commander in Chief	Commander	Attaché at	State	Justice	Inter.	Com.	Labor	Ship Board	Return to Room No.							
		Atlantic	Pacific	Asiatic	S.S.S.	European												

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4-5292

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174  
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

N. N. I. 96  
Revised Nov. 1-21.

ISSUED BY OFFICE OF NAVAL INTELLIGENCE, NAVY DEPARTMENT.

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(Nation reported on.)

(Index title as per index sheet.)

(Subtitle.)

Reference \_\_\_\_\_

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Sheet No. 5.

It appears that the report was pure fabrication by a sub-official in the Foreign Office. This is not the first instance in which conversations of foreign diplomats have been given the press and which have called forth protest from these officials.

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Inter.	Com.	Labor	Ship Board	Return to Room No.					

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4-3202

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

N. N. I. 96  
Revised Nov. 1-21.

ISSUED BY OFFICE OF NAVAL INTELLIGENCE, NAVY DEPARTMENT.

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Reference \_\_\_\_\_

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Inven-tions	Oil	Commander in Chief	Commander	Attaché at	State	Justice	Inter.	Com.	Labor	Ship Board	Return to Room No.							
		Atlantic	Pacific	Asiatic	S. S. S.	European												

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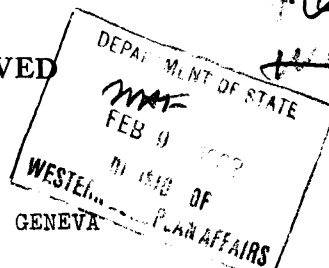
4-5212

TELEGRAM RECEIVED

mam

FROM

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



Dated February 6, 1932

Rec'd 6:15 p.m.

Secretary of State

Washington

13, February 6, 11 p.m.

VERY CONFIDENTIAL. Yen has just called and stated that

the particular task for which he was sent here was to keep  
pressing the Far Eastern situation on the League. On the  
other hand, with his deep appreciation of all that the  
United States was doing to help China, he was unwilling to  
take any steps that might embarrass our Government in its  
efforts. He had been told by Thomas that it was desirable  
to refrain from urging his case further on the Council at  
this moment because of the negotiations in course. He is  
anxious to ascertain from us whether this is also our advice

Specifically he does not know whether the Japanese  
reply to the British and American Ambassadors in Tokyo  
means that these negotiations are finished and that he  
should again revive the matter with the Council, or whether  
negotiations are still in course which would render it ad-  
visable

F/LS 793.94/4025

CONFIDENTIAL FILE

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893.102-S  
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man -

2- #13, from Geneva, February 6,  
1932

advisable for him to delay. He points out that there are three separate undertakings: the Lytton Commission; the Consular Commission in Shanghai; and the demarche of the great powers, and that it is very confusing here to so guide his course that he will not do anything that might embarrass one of these activities while endeavoring to urge action on the others.

He will be deeply grateful for any guidance that you would permit me to give him.

He adds that the Chinese Charge d'Affaires in Washington is naturally sending what he can but that this is not entirely adequate for him to so select his path in the way that will be most agreeable to the United States.

WILSON

HPD



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

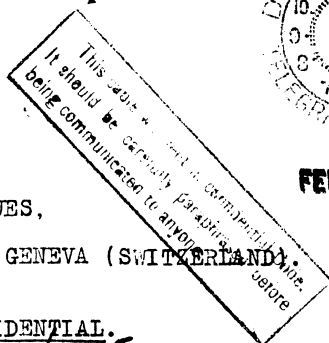
TELEGRAM SENTREC'D

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• PREPARING OFFICE  
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Department of State



FEB 8 32

February 8, 1932.

WILSON,

BERGUES,

GENEVA (SWITZERLAND)

CONFIDENTIAL.

Your 13, February 6, 11 p.m.

For your information and guidance.

The Department appreciates Yen's desire not repeat not to take any steps which might cross wires with the efforts of this Government. At the same time, it is difficult if not impossible for the Department to give to the Chinese or to any other states members of the League advice in reference to their possible courses of action under and in relation to the Covenant.

Department assumes that Yen understands that we, together with governments of other powers most concerned, are devoting our best efforts to the problem of averting further unfortunate developments in the situation and toward suggesting ways and means which may be agreed upon by the parties most concerned by which the phase of violence and hostilities may be brought to an end and constructive effort toward a satisfactory settlement of the issues

Enciphered by .....

between

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

Index Bu.—No. 60.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

793.94/4025

CONFIDENTIAL FILE

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

1-128  
PREPARING OFFICE  
WILL INDICATE WHETHER

## TELEGRAM SENT

1-128

TO BE TRANSMITTED  
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PLAIN

Collect  
Charge Department  
OR  
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## Department of State

- 2 -

Washington,

between China and Japan be begun.

You should explain all this to Yen informally and add expressly that for the moment the acute emergency at Shanghai has the concentrated attention of several governments and that efforts are being made to avert tragedy and further complications there; <sup>but</sup> the peace proposals of the powers have not repeat not been dropped, ~~but the Shanghai situation temporarily takes precedence.~~ <sup>why</sup> Say that the advisable course, for the moment, would seem to be for him to be guided by the suggestion made to him by Thomas as reported in your telegram under reference; that we wish to be helpful but we cannot assume the responsibility of suggesting what path he should follow; and that he should make the best use he can of what he learns from those of his colleagues on the Council in whom he has most confidence and of the advice of his own counselors.

FE:SKH/ZMF

FE

Enciphered by .....

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

Index Bu.—No. 50.

*Primom*  
*why*

Feb. 8, 1972

U. S. GOVERNMENT PRINTING OFFICE: 1972 1-128

TELEGRAM RECEIVED

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WP

FROM GRAY

Peiping

Dated February 7, 1932

Rec'd 11:56 p. m. 6th.

Secretary of State,

Washington

204, February 7, 9 a. m.

Following from the Minister at Nanking:

"February 5, 9 p. m. Nanking is quiet at present.

General Ho, the Minister of War, told me today that through friends he had arrangement with the Japanese naval units here that neither side should threaten the other. He stated that Chinese troops had been withdrawn five miles inland from Pukow. American citizens who are neighbors of the General nevertheless assure me that he is constructing a concrete refuge in his own premises. Chinese air planes arrived in Shanghai this morning to assist the army and they have reported a successful encounter with Japanese planes in which the Japanese lost two planes. I have been told that the Chinese planes carried no bombs.

My British colleague arrives on Saturday morning  
and

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note  
893.102-Nanking  
893.102-S  
393.11

F/LS 793.94/4026

FILED

- 2 - No. 204 from Peiping

and he and I and our French colleague and the German  
Counselor will meet daily at 11:30 a. m., to exchange  
information.

79311  
The Consulate General, with my approval, is  
advising that American women and children leave Nanking  
in view of the fact that a possible extension of the  
present military activities would make it difficult to  
evacuate should there be an attack".

For the Minister.

PERKINS

JS

DECLASSIFIED: E.O. 11652, 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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WP

FROM GRAY

Nanking

Dated February 6, 1932

Rec'd 9:12 p. m.

Secretary of State,  
Washington

February 6, 7 p. m.

Following telegram has been sent to Shanghai:

February 6, 7 p. m. Please communicate the follow-

ing to Admiral Taylor: "British Admiral informed British  
Minister Friday that he had seen the Japanese Admiral  
who agreed that he (the Japanese Admiral) would withdraw  
within the line of Settlement which includes salient of  
Hongkew Park if the Chinese will evacuate Chapei and  
Pao behind line approximately joining north bend Soochow  
Creek in Settlement and Sikh crematory and sewage treat-  
ment works just north of Hongkew. Area evacuated to be  
occupied by international troops.

British Minister has shown this suggestion to Lo  
Wen Kan and Chen Ming Shu who agree in principle provided  
it does not imply 1900 protocol terms or principles at  
Shanghai and that it is only a temporary arrangement.

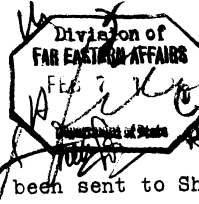
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FILED

FEB 11 1932

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893.102-S



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

- 2 - from Nanking

They will discuss proposal in detail and inform Sir Miles tonight whether they are ready to instruct Chinese general at Shanghai and Mayor of Shanghai to negotiate on these terms. I hear you will cooperate with British Commander in Chief in his efforts to bring about cessation of hostilities and restoration of peaceful conduct at Shanghai.

JOHNSON

OX

CJH

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O.N.I. AND M.I.D. *FE*

TELEGRAM RECEIVED

PEIPING via N.R.

FROM Dated February 7, 1932

Rec'd. 6:40 a.m.

Secretary of State,  
Washington.



206, February 7, 4 p.m.

Following from Reuters, Shanghai, February 6th.

"Replying to a protest by the Mayor of Greater Shanghai that the Municipal Council had permitted Japanese armed forces to use the International Settlement as base of operations against the Chinese troops constituting a breach of neutrality for which the Council would be held responsible, the Chairman of the Council, Brigadier Ermet MacNaughten, states that whatever condition of neutrality of the Settlement may exist can only have been created by convention or agreement between the various powers or states having political or other interests in the Settlement.

Such condition of neutrality, he goes on, can therefore only be maintained and guaranteed by these same powers and states. Japan is one of these powers and the Japanese Government and not the Municipal Council is solely responsible for the acts of the Japanese armed forces in the Settlement".

For the Minister

PERKINS

JS

793.94  
note  
693.102-5

F/LS 793.94/4028

FILED

FEB 11 1932

*File*

CJH

TELEGRAM RECEIVED

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

TOKIO

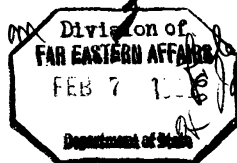
Dated February 7, 1932

FROM

Rec'd, 6:10 a.m.

Secretary of State,

Washington.



49, February 7, 4 p.m.

Referring to your telegram No. 44, <sup>4003</sup>February 6,

5 p.m., our staff have conferred with officers with  
whom they have contacts in various Japanese offices.  
Neither I nor any of them have said anything that  
could be construed as expressing our personal assent  
or the assent of our Government to the course pursued  
by the Japanese in relation to Shanghai, and have  
consistently urged the cessation of hostilities and  
acceptance of the points enumerated in your telegram  
No. 34, <sup>3902 d</sup>February 1, 3 p.m.

I believe all officers of the army, navy, or  
civil departments in the Japanese Government know that  
we look, with the gravest concern upon their action in  
sending troops to Shanghai. My staff and I have done  
our best to convince them of this.

I am informed that instructions have been sent to  
the Japanese commanding officer in Shanghai to place  
his force under the strictest discipline to avoid un-  
pleasantness with

*793.94  
note  
893.102-S*

F/LS 793.94/4029

FILED

MAR 3 1932



CJH

Page 2 - Conf. from Tokio,  
No. 49.

pleasantness with ~~other~~ troops and civilians in the  
Settlement, ~~clashes with~~ Chinese troops if it can be  
avoided.

FORBES

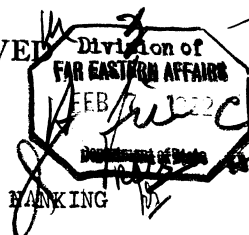
HPD

TELEGRAM RECEIVED

MAM

FROM

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



Dated February 6, 1932

Rec'd 4:18 p.m.

Secretary of State

Washington

February 6, 9 a.m.

Minister for Foreign Affairs informed me last night that having heard of the despatch from Japan of a division of Japanese troops to Shanghai the Chinese had no other recourse but to send reenforcements to their hard pressed forces at Shanghai. He wished us to understand that this was not meant to be in violation of their acceptance of the proposals of the note in reference to cessation of troop movements but merely to meet a new phase already instituted by the Japanese. He expressed urgently the hope that we would not permit Japanese to use Settlement as a screen for landing of reenforcements. He is very much worried about situation. He said Chinese aeroplanes had been instructed to keep away from Settlement.

OX

JOHNSON

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note  
893.102-S  
893.23

F/LS 793.94/4030

FILED

FEB 11 1932

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

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# TELEGRAM RECEIVED

MAM

GRAY

FROM

GENEVA

Dated February 6, 1932

Secretary of State  
Washington

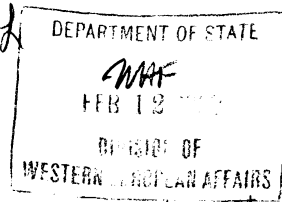
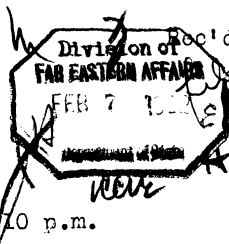
12, February 6, 10 p.m.

Text of communique issued after today's private meet-

ing of Council referred to in my 10 follows: "The Members  
of the Council other than the parties met at 4:30 to hold  
an exchange of views. They were of the opinion that in the  
present circumstances since the steps on the powers brought  
to the notice of the Council on February 2nd are not term-  
inated a debate on the Sino-Japanese dispute at the public  
meeting today would not be advisable".

HPD

WILSON



F/LS 793.94/4031

FILED

FEB 15 1932

793.94  
no to  
500.0112

TELEGRAM RECEIVED

MAM

FROM

GRAY

NANKING VIA NR

Dated February 6, 1932

Rec'd 5:15 p.m.

Secretary of State

Washington

February 6, 3 p.m.

My February 6, 10 a.m.



Lampson tells me today that he has received a telegram from British Delegation at Geneva to the effect that Japanese delegate did not (repeat not) send suggested proposal to his Government, there having been a difference of opinion on the subject among the members of the Japanese Delegation. However, the suggestion remains interesting as a possible method of procedure in getting around Japanese attitude on point five of our proposals.

OX HPD

JOHNSON

F/LS 793.94/4032

MAR 12 1932

FILED

FE

CJH

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

NANKING

Dated February 6, 1932.

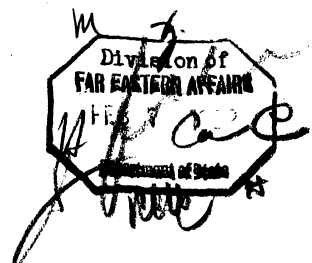
Rec'd. 8:43 p.m.

Secretary of State,  
Washington.

33. February 6, 11 p.m.

My 32, February 5, 10 p.m.

CONFIDENTIAL



F/LS 793.94/4033

793.94  
note  
893.102-9  
893.102-9  
893.23  
894.23

I have arrived at the opinion, which is shared by competent observers, that Nanking will probably be involved sooner or later in the field of military operations. Indications supporting this view include the following circumstances; since January 31st there have been ten Japanese naval vessels at Nanking; Chinese airplanes today left Nanking and engaged Japanese planes at Shanghai, while many military airplanes remain in the neighborhood of Nanking in constant readiness for use; military occupation of Nanking by the Japanese would greatly cripple the resistance of the Chinese forces now fighting the Japanese at Shanghai; the American Embassy at Tokio reports that one entire division has been despatched to Shanghai or Nanking.

Repeated to Legation, Tokyo, Shanghai.

PECK

HPD

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

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CJH

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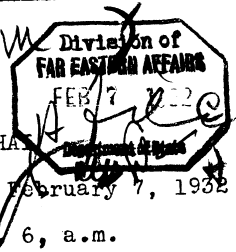
FROM

GRAY

SHANGHAI

Dated February 7, 1932

Rec'd 6, a.m.



Secretary of State,

Washington.

10, February 7, 11 a.m.

Mayor's representative informed me today that it  
had been decided to use Chinese aeroplanes against the  
Japanese, but he assured me that Chinese aeroplanes  
would not <sup>carry</sup> bombs and would take every precaution  
to prevent endangering the settlement.

Repeated to Legation, Nanking and Tokyo.

CUNNINGHAM

DAS

HFD

(\*) Are ...

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793.94/4034

FEB 11 1932

FILED

CJH

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O.N.I. AND A.I.D.

TELEGRAM RECEIVED

GRAY

TIENTSIN via N.R.

FROM

Dated February 7, 1932

Rec'd. 4:25 a.m.

Secretary of State,  
Washington.

February 7, noon.

Following telegram has been sent to the Legation  
today:

11, February 7, 11 a.m.

Four or five Japanese soldiers, accompanied by an officer, in attempting to force an entrance yesterday afternoon into the drum tower in the Chinese city some distance from the Japanese concession were prevented from doing so by Chinese police stationed there, with the result that a fight ensued in which several Chinese police and one or two Japanese soldiers were wounded but not seriously. No firing occurred. At 7 o'clock last night, forty or fifty Japanese soldiers said to have been armed returned to the drum tower for the purpose of making the Chinese admit responsibility for the incident, but the arrival of the Mayor and the Chief of the Bureau of Public Safety on the scene resulted in the Japanese agreeing to withdraw their soldiers on the understanding that the affair would be settled as soon as possible.

F/LS

793.94/4035

FILED

JUN 28 1933

793.94  
note  
893.102-T

Division of  
FAR EASTERN AFFAIRS  
FEB 7 1932  
Department of State  
Tokyo

CJH

Page 2 - #11 from Tientsin.

as possible. Chinese state that Japanese are anxious that no publicity be given to the incident which created considerable excitement in the city last night. The Japanese have for weeks been sending small armed detachments into Chinese territory and if this continues it is practically certain that a serious clash between them and Chinese police will occur sooner or later.

Repeated to Department and Nanking".

LOCKHART

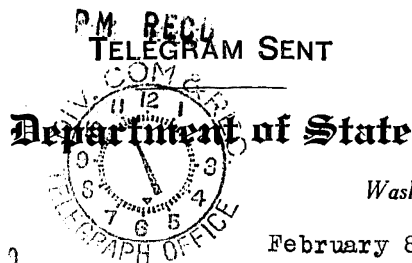
HPD



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

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department  
OR  
Charge to  
\$



1-138  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Washington,

February 8, 1932.

*AmEmbassy*  
AMERICAN EMBASSY FEB 8 32

TOKYO (JAPAN).

793.94/4035 46 Reference/Tientsin/Consulate/s/February 7, 11 a.m./  
repeated to/you/by the American Minister/at Nanking/  
The Department/endorsees the Minister/s/suggestion/that  
you/might/ on an/appropriate/occasion/ mention/to the/  
Japanese/Foreign Office/this/occurrence/at Tientsin/  
and/call/to their/attention/the condition/of/affairs/  
referred to/in the/closing/sentence/of/Tientsin's/  
telegram/under/reference/

793.94/4035

*RM*  
FE: RSM: EJJ FE

Feb. 8

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

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

TELEGRAM RECEIVED

MAM

FROM

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

DEPARTMENT OF STATE

FEB 18 1932

GENEVA DIVISION OF  
WESTERN EUROPEAN AFFAIRS

Dated February 6, 1932

Rec'd 6 p.m.

Secretary of State

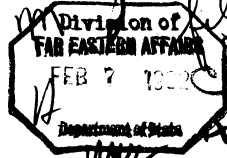
Washington

10, February 6, 8 p.m.

Following is a memorandum by Sweetser of private meeting of Council members other than Japanese and China held this afternoon:

"The twelve members of the Council other than the Chinese and Japanese representatives held a private meeting this afternoon.

Boncour (France) explained that he had asked for the private meeting to decide whether there should be any discussion of the Chinese situation in the private session. He pointed out that if the Council members brought the matter up the two parties would certainly speak, while if the Council members did not he understood the parties would equally desist. He felt the situation was very embarrassing both in itself and from the juridical viewpoint. There were



F/LS 793.94/4036

FILED

mam

2- #10, from Geneva, February 6,  
1932

were in effect three aspects to it.

First, Article 11 which is still operative;  
second, Article 15 which has just been brought  
into play and, third, the special actions of in-  
dividual powers distinct from League action.

He asked his colleagues what their judgment was.

(END SECTION ONE)

WILSON

OX

HPD

## TELEGRAM RECEIVED

WP

FROM

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

Geneva

Dated February 6, 1932

Rec'd 7:42 p. m.

Secretary of State,  
Washington

10, February 6, 8 p. m. (SECTION TWO)

Drummond stated that the Chinese had said they could not raise the question spontaneously while the Japanese had said that in that case they would equally refrain from speaking in open session. He thought however that complete silence on the part of the Council would make a bad impression on the public and that there ought to be some explanation given. He himself had suggested a statement by the President that a discussion would not take place at the moment as the matter was now under negotiation.

Marinkovitch felt that if the Council said anything in public it must say the truth. He had himself interpreted the statement suggested by the Secretary General as meaning that the Council had disassociated itself from the affair and passed it over to the four powers. This however was

not

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

- 2 - No. 10 from Geneva

not the truth. The truth was that for the moment the League had nothing immediately to offer in that, in so far as Article 11 was concerned it had already sent out a commission; while in so far as Article 15 was concerned, no report had been received from Shanghai and no statement from the interested parties (END SECTION TWO).

WILSON

OX

CJH

### TELEGRAM RECEIVED

This telegram must be \_\_\_\_\_ GENEVA  
carefully paraphrased be-  
fore being communicated to  
anyone. FROM Dated February 6, 1932  
Rec'd. 8:28 p.m.

Secretary of State,  
Washington.

10, February 6, 8 p.m.  
(SECTION THREE).

Drummond emphasized that he had not meant to suggest that the Council had disassociated itself from the dispute but that public discussion today would be unfortunate. Moreover, he felt he must make clear he was not obligated automatically to present the Shanghai report to the Council. He himself, under the Covenant, had the obligation to decide as to the proper disassociating and must ask to be allowed to preserve his liberty of action. He also stated that he had asked the two parties for statements of their cases as provided in Article 15, but had not yet had replies. The great difficulty he saw was how as to divide the case between Articles 11 and 15. The Chinese are emphasizing that their appeal under Article 15 applies to Manchuria as well as Shanghai. As regards Shanghai, there is the Special Committee under Article 15. As regards Manchuria, there is the Lytton Commission which will provide

*note*  
793,94-Comm

CJH

### TELEGRAM RECEIVED

This telegram must be \_\_\_\_\_ GENEVA  
carefully paraphrased be-  
fore being communicated to \_\_\_\_\_ Dated February 6, 1932  
anyone. FROM Rec'd. 8:28 p.m.

Secretary of State,  
Washington.

10, February 6, 8 p.m.  
(SECTION THREE).

Drummond emphasized that he had not meant to suggest that the Council had disassociated itself from the dispute but that public discussion today would be unfortunate. Moreover, he felt he must make clear he was not obligated automatically to present the Shanghai report to the Council. He himself, under the Covenant, had the obligation to decide as to the proper disassociating and must ask to be allowed to preserve his liberty of action. He also stated that he had asked the two parties for statements of their cases as provided in Article 15, but had not yet had replies. The great difficulty he saw was how as to divide the case between Articles 11 and 15. The Chinese are emphasizing that their appeal under Article 15 applies to Manchuria as well as Shanghai. As regards Shanghai, there is the Special Committee under article 15. As regards Manchuria, there is the Lytton Commission which will provide

note  
793,94-Comm.

CJH

Page 2 - #10 from Geneva,  
(Section three).

will provide interim reports the facts of which he  
contemplated using for his own information for the  
part of the dispute under Article 15 which applies to  
Manchuria. He asked members of the Council to treat  
this suggestion as confidential. (End Section Three).

WILSON

HPD



TELEGRAM RECEIVED

WP

FROM

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

Geneva

Dated February 6, 1932

Rec'd 8:35 p. m.

Secretary of State,

Washington

10, February 6, 8 p. m. (SECTION FOUR)

Zaleski stated that the demarche of the several powers  
had changed the whole situation. The powers had suggested  
negotiations under the Kellogg Pact and the Resolution of  
December 10th. This left Article 15 completely aside.  
The Council had approved this demarche and consequently  
had disassociated itself from the dispute.

Simon . then gave the most absolute assurance  
that this demarche had not in the least been intended to  
put the League aside but had been made because the United  
States was not a member of the League or even represented  
at this session by an observer. When his government had  
received a communication from the United States on the  
same line as the Council's resolutions and aiming to  
follow out the same policy the British Government had  
sought

- 2 - No. 10 from Geneva

sought to take advantage of the opportunity. He had been delighted as he was sure his colleagues were, that the United States had been willing to cooperate in such an effort. As it has been necessary to act immediately at he had/once informed Thomas, who had informed the Council. He judged the Powers' action to be complementary and not contrary to the (END SECTION FOUR)

WILSON

JS

CJH

### TELEGRAM RECEIVED

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

GENEVA

FROM

Dated February 6, 1932

Rec'd. 11:04 p.m.

Secretary of State,

Washington.

10, February 6, 8 p.m. (SECTION FIVE)

COUNCIL'S. He thought matters were developing well  
and that there should be no discussion today. He felt  
that where America was interested the Council should proceed  
in such a way as to make cooperation as effective as  
possible. As Foreign Minister of Great Britain he  
concluded that the powers' action has not been intended  
to supplant the Council but only to take advantage of an  
offer from America on the same lines.

Rosso stated that Italy had given Thomas declaration  
the same value. Tardieu then <sup>presiding at the</sup> (\*) ~~the~~ liability of  
Council and that the Council had associated itself with  
the demarche made by the other powers.

Marinkovitch still felt however that while obviously  
the Council should give this demarche time either to  
succeed or fail the Council's jurisdiction of the matter  
was for the moment suspended. There was also a further  
complication that the Chinese and Japanese had agreed  
with (\*) <sup>this</sup> ~~to support~~ procedure at the Council table and  
had even congratulated the Associated Powers. Zaleski  
urged that

TELEGRAM RECEIVED

CJH

Page 2 - #10 from Geneva.

urged that the best course ~~would~~<sup>FROM</sup> be to say nothing at all  
at the Council but to instruct ~~the~~<sup>the information</sup> section to issue a  
brief communique.

Zulueta returned to Boncour's analysis of the three  
methods of negotiation now in operation, two of the League  
under Article 11 and 15 and one outside the League but  
viewed with it by sympathy. The third he thought did not  
in any way suppress parallel action by the League. He  
himself attached great importance to the Council action  
under Article 15 and raised the question of the relationship  
of the Shanghai inquiry to the special action of the other  
powers.

Boncour thanked Simon for his statement and said there  
was no misunderstanding in the Council of England's action  
but only a feeling of deep satisfaction that that action  
would aid the Council in its difficult task. The Council  
must still, however, consider the relationship of these  
different approaches to the problem. The demarche of the  
powers may succeed and certainly the Council would not want  
to embarrass it but supposing it were to fail? The Council  
could hardly conceal itself behind a mere hope. The news  
is bad; does there seem any chance of success?

Drummond could only say that the negotiations were still  
going on and that it would therefore be unwise for the  
Council to intervene in any way. As a matter of fact it was  
doing all it could under Articles 11 and 15 and proceeding  
as though

CJH

Page 3 - #10 from Geneva.

as though the other negotiations were not taking place. Simon then stated that the American Government was at least not desisting from its efforts. The original suggestions had not been accepted but efforts were still continuing. He was sure his colleagues would want the four powers to carry through as completely as possible. At the same time he assured them he would keep them informed as occasion required.

Boncour concluded the discussion with the decision that a communique would be issued which would avoid the necessity of any debate in the Council or any declaration by either party.

He asked Drummond what he would do when he received the Shanghai report. Drummond replied he did not know. He imagined he would want to distribute it immediately to the members of the Council but he asked to be allowed to maintain his liberty of action according to the circumstances. End Message.

WILSON

HPD

(\*) apparent omission.

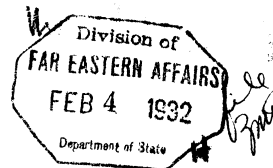
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Lustigsm NARS, Date 12-18-75

FE

XTA

YT

FROM: NAVAL ATTACHE TOKYO



TO NAVINTEL

793.94/4014  
T

1604 FIRST CONTINGENT OF ARMY DIVISION, ABOUT 2500 MEN SHOULD  
ARRIVE IN SHANGHAI ABOUT 6 FEBRUARY ADMIRAL NOMURA WILL LEAVE  
SASEBO ON BOARD NAVAL SHIP, HAVING LEFT TOKYO AT 1300 THERE IS  
NOT APPARENT ANY UNDUE EXCITEMENT HERE

TIME OF RECEIPT OF THIS MESSAGE IS REQUESTED ALSO TIME  
OF RECEIPT OF MY 1602 1920 1735

DISTRIBUTION

RECEIVED IN CODE ROOM

1545 4 FEBRUARY 1932

16.....ACTION

10A.....

11.....

13.....

19.....

20.....

DAILY.....

FILE

E.O. 11652, Sec. 3(E) and 5(D) or (E)  
M. O. Lustigsm  
Mar 19, 1973

THIS COPY FOR STATE DEPARTMENT

CJH

TELEGRAM RECEIVED

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

PEIPING ~~via~~ R.R.

FROM

Dated February 7, 1932

Rec'd. 6:40 a.m.

Secretary of State,

Washington.

February 7, 5 p.m.

207.

Following from American Consul General at Harbin.

"February 6, 11 a.m.

One. Chinese soldiers commenced to retreat from their position south of Harbin early yesterday morning, some of them passing in slight disorder through residential section, some retreated across the Sungari and others eastward, followed, it is believed, by Japanese detachments. Aside from slight looting in Fuchiatien, little damage was done and as far as is known six Russians were killed and a few wounded by them. No Americans nor other noncombatant Russian foreigners injured, and no complaints have been received by this office concerning American property losses suffered. About five hundred Chinese soldiers were wounded in the two days fighting.

Two. The Japanese troops commenced to enter Harbin at 1 p.m., without meeting any resistance, Fuchiatien was occupied by them at 3 o'clock, and General Tamon with the main

793.94  
note  
893.102-Harbin  
893.0146  
861.77-Chinese Eastern  
893.721  
893.741  
893.751



F/LS 793.94/4037

FILED

FEB 12 1932

CJH

Page 2 - #207 from Peiping.

with the main force entered at 6 o'clock.

(End part one).

PERKINS

HPD



CJH

# TELEGRAM RECEIVED

GRAY

PEIPING via N.R.

FROM

Dated February 7, 1932

Rec'd. 7:25 a.m.

Secretary of State,  
Washington.

207, February 7, 5 p.m. (SECTION TWO).

Total force estimated at five thousand fully equipped  
while Chinese, poorly equipped, numbered about fifteen  
thousand.

note  
893.721  
893.751  
893.741

Three. Japanese military mission with Dohihara  
as head in control of wireless station, land telegraphs  
and telephone systems but after representations by me  
Ohashi informed me that he arranged with the Japanese  
Commander to permit the filing of foreign official and  
commercial telegrams. No telegram in the Chinese language  
can be sent. Postal service so far has not been molested.

Four. Despite assurances of Ohashi that Japanese  
troops were coming to Harbin solely to protect Japanese  
and their property, all local Chinese official institutions  
are under Japanese military control.

note  
861.77-Chinese Eastern

Five. Traffic has been restored on the Southern  
line of the Chinese Eastern Railway, the Eastern line is  
functioning normally and the western line will soon  
be repaired.

Six. Attitude

CJH

Page 2 - #207 from Peiping  
(Section two).

Six. Attitude of the Chinese populace might be  
described as sullen and ~~the (\*)~~ <sup>that</sup> of some of the white  
Russians." *End message* ~~22~~

PERKINS

HPD

(\*) apparent omission.

TELEGRAM RECEIVED

MAM

FROM

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

Dated February 6, 1932

Rec'd 4:36 p.m.

Secretary of State

Washington

11, February 6, 9 p.m.

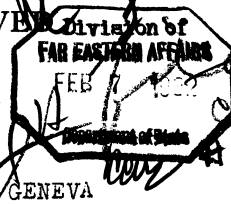
Very confidential.

With reference to my telegram 10, February 6, 8 p.m.,

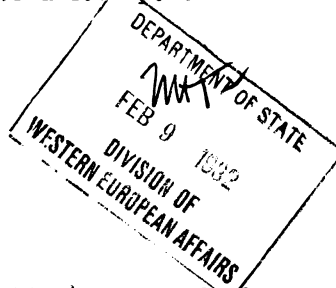
I understand that Sweetser prepared similar memoranda for General Dawes in Paris. This procedure would seem to give the most accurate possible picture of these administrative meetings and I shall continue it unless you have contrary views.

OX

WILSON



Tele. to  
Geneva.  
FEB 8 1932



F/LS 793.94/4038

FILED

FEB 16 1932

793.94

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

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department  
OR  
Charge to  
\$

TELEGRAM SENT

1-138  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Department of State

Washington,  
February 8, 1932.

WILSON

BERGUES

GENEVA (SWITZERLAND).

Your 11, February 6, 9 p.m. /4038

Procedure approved. Department has throughout welcomed and appreciated the supplying to it of these memoranda.

The Department suggests in this connection that it would save expense, give greater expedition and save time for all concerned, especially here, if these and similar materials supplied to the Legation were, before being despatched by telegraph, roughly edited with a view particularly to the omission of comparatively unimportant detail. The complete materials might follow by mail.

*Stinson*  
*WJG*

Feb 8. 1932

Enciphered by

FE:RSM:EJL

FE

Sent by operator

M.,

19

793.94/4038

CJH

TELEGRAM RECEIVED

FROM

GRAT

TOKIO

Dated February 7, 1932

Rec'd. 12:10 p.m.

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

Secretary of State,

Washington.

- 50

February 7, 9 p.m.

This morning Japanese Admiral Toyada visited me, as he expressed it "non-officially", and explained at length the events leading up to the Shanghai incident. He described the present situation as going from bad to worse. He stated that the first attack on the night of the 28th was wholly unexpected. The Japanese marines were proceeding peaceably to take up the position allotted by the Defense Committee for guarding their nationals. The Chinese police of the Chapei District to the number of two thousand had deserted that afternoon leaving it unguarded - an indication that they had prior knowledge that trouble was expected.

Asked whether the Chinese attack was ordered from Nanking, he said positively he believed not.

I then asked if they had any information as to whether the order was given by Chinese generals, or was a chance order by a subordinate, he said they had none, but that, without any

F/LS

793.94/4039

FILED

793.94  
note  
893.102-S  
894.23



CJH

#50  
Page 2 -/From Tokio.

without any proof, they strongly suspected that there was a strong Red element in the Chinese armies and that this was done deliberately in the expectation of bringing about a war between China and Japan.

He stated that two armistices were concluded on ensuing days, both of which, he claimed, had been broken by the Chinese, which lends color to the above idea. He stated that the troops are mostly Cantonese and not under the control of Chiang. He admitted, and expressed regret for, atrocities committed by Japanese lawless element, among the civilian population described, as gangsters. These elements were being returned to Japan.

He reiterated the information forwarded in my telegram #32, February 4, 10 p.m., to the effect that the Japanese land troops now proceeding to Shanghai were under orders to act as much on the defensive as possible and not to extend their lines, although they might be compelled to attack positions that were throwing shells or menacing their settlement.

He stated the Woosung forts were not yet occupied; and that, while not absolutely certain of the plan, he believed that if unobstructed passage of the river were permitted troops would go directly to the Settlement and land there; otherwise

note  
894.23

CJH

Page 3 - #50 from Tokio.

otherwise they might have to land and clear the river bank, both sides of which were lined in places with trenches and snipers.

He also repeated that these troops were for relief reinforcements of existing exhausted forces of marines.

Admiral Nomura is expected to arrive today, and it is hoped he will take immediate steps to put plan outlined in my telegram #47, February 6, 7 p.m., into effect.

A civilian informant states that the rural population are strongly national and supporters of the Government program of force, and he predicts a change in attitude after election.

FORBES

HPD

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

CJH

TELEGRAM RECEIVED

LONDON

Dated February 7, 1932

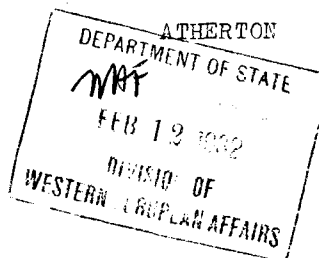
FROM

Rec'd. 1:00 p.m.

Secretary of State,  
Washington.

54, February 7, 3 p.m.

Department's telegram No. 56, February 6, 8 p.m.,  
delivered to Foreign Office.



HPD

FEB 16 1932

FILED

F/LS 793.94/4040

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793.94

Division of  
FAR EASTERN AFFAIRS  
FEB 7 1932  
Department of State  
nem

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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

CJH

TELEGRAM RECEIVED

TOKIO

FROM

Dated February 7, 1932

Rec'd. 11:45 a.m.

Secretary of State,  
Washington.

51, February 7, 10 p.m.

My telegram No. 47, February 6, 7 p.m.

To advise the Department more fully of the part played by our staff in connection with Japanese proposition: the movement began as a result of some excellent work by Neville and McIlroy, both of whom urged upon persons with whom they had contact, the importance of Japan in her own interests, accepting more definitely the propositions contained in your telegram No. 34, February 1, 3 p.m. Neville was advised that the Japanese authorities felt their negotiations in connection with the propositions contained in our telegram No. 47, February 6, 7 p.m., had best be worked out in Shanghai. The proposition was made by Nagai, after full consultation with other departments which were working on the same general plan. Admiral Toyoda had also developed it in discussion with Lindley. For effect on Chinese the Japanese may prefer it should not appear as their suggestion and may want to call it ours or an international suggestion. This might be important.

FORBES

DAS

WDD

793.94  
note  
893.102-S

F/DEW

793.94/4041

FILED

MAR 3 1932

FEE

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CORRECTED COPY  
**TELEGRAM RECEIVED**

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

FROM

DAIREN (HARBIN)

Dated Jan. 27, 1932

Rec'd. 1.53 am, Feb. 8

SECRETARY OF STATE

WASHINGTON

January 27, 5 pm

CONFIDENTIAL

Div. of  
FAR EASTERN AFFAIRS  
FEB 3 1932  
Department of State  
FEB 15

793.94/4042

not  
894.23

One. Ohashi confidentially informed my British and French colleagues and myself that this morning acting on his own responsibility and not in conjunction with the local Japanese military mission, he had requested his government to send troops from Changchuen to Harbin.

Two. I believe that present situation does not justify such action and fear if Japanese troops start for Harbin, local Chinese troops in retiring might attempt to loot foreign property.

Department has been informed.

HANSON

JS

FILED  
FEB 16 1932

TELEGRAM RECEIVED

cib

FROM

HARBIN (Tel. Room telephoned  
Beiron (this change int-))

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

Dated February 7, 1932

Recd 1:53 a.m., 8th.

Secretary of State

Washington.

February 7, 5 p.m.

CONFIDENTIAL.

One. Qhashi confidentially informed my British  
and French colleagues and myself that this morning acting  
on his own responsibility and not in conjunction with the  
local Japanese military mission he had requested his  
government to send troops from Changchuen to Harbin.

Two. I believe that present situation does  
justify such action and fear if Japanese troops start  
for Harbin, local Chinese troops in retiring might attempt  
to loot foreign property.

Department has been informed.

HANSON.

JS

F/LS 793.94/4042

FILED

793.94  
note  
894.23

Corrected copy

CJH

TELEGRAM RECEIVED

A portion of this telegram must be carefully paraphrased before being communicated to anyone. NANKING Dated February 6, 1932

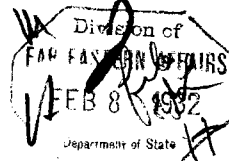
Rec'd. Feb. 7. 1:10 p.m.

Secretary of State,  
Washington.

February 6, 8 a.m. CONFIDENTIAL.

(GRAY). My British colleague informs me that Thomas, the British Representative at Geneva, has telegraphed his Government substantially the following:  
(End Gray)

The Japanese Delegate told him in confidence that he has suggested to his Government that the League of Nations Commission which is now enroute to the Far East be authorized, immediately upon its arrival in China, to participate in negotiations between Japan and China. He bases his suggestion on the ground that inasmuch as Japan had agreed that such a commission be constituted and as its report would have to be considered by the Council, the proceedings before the Council would virtual amount to negotiations with neutral participants. His proposal would therefore merely advance the date of such neutral participation. Thomas adds that he doubts whether Japan will accept suggestion unless China withdraws her application to League under Article 15 of the Covenant.



F/LS 793.94/4043

FILED

MAR 14 1932

793.94  
note  
793.94-Cons.  
793.94119  
500. C112

CJM

Page 2 - to Nanking dated  
February 6, 8 a.m.

Covenant, (End of Thomas message).

The above proposal that the Commission participate immediately in Sino-Japanese negotiations seems to me to be worthy of serious consideration and my French, British and German colleagues share my view. They also <sup>with me</sup> agree ~~that~~ it should not be difficult to induce the Chinese Government to withdraw her appeal under Article 15 in return for Japan's acceptance of the proposal.

JOHNSON

HPD

Delayed Chinese lines.

CJH

COPIES SENT TO  
TELEGRAM RECEIVED N.I. AND M.I.D.

SHANGHAI via N.R.

FROM Dated February 7th, 1932

Rec'd. 2:10 p.m.

Secretary of State,  
Washington.

12, February 7th, 6 p.m.

I have just been assured by Consul General Murai that the Military force arriving today would not be landed in the International Settlement. That it is the intention to land at Woosung and he believed they had already landed at 5 o'clock. Refer to this office's telegram No. 8 of February 6th, 5 p.m. Repeated to the Legation, Nanking and Tokyo for information.

CUNNINGHAM

DAS

HPD



F/LS 793.94/4044

FEB 11 1932

FILED

793.94  
note  
893.0146

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

TELEGRAM RECEIVED

COPIES SENT TO  
GRAY, N.I. AND M.I.D.  
SHANGHAI via N.R.

Dated February 7, 1932

FROM

Rec'd. Division of  
FAR EASTERN AFFAIRS  
FEB 8 1932  
Department of State

Secretary of State,  
Washington.

11. February 7, 5 p.m.

Continuing my daily report of February 6, 6 p.m.

One. Last night the Japanese forces shelled the Chinese positions with heavy artillery. The bombardment continued for approximately an hour. Since then the desultory firing has continued. Defense headquarters was informed by the Japanese that the bombardment of North Station would recommence today. The Japanese requested the use of one of the Settlement block-houses for an observation post, but this was refused. Chinese refugees who have received word of the impending bombardment are pressing against the defense lines for admission. These are being admitted.

Two. A member of Consulate visited the principal streets of the Hongkew area. There were only six municipal police on duty, four of which are Japanese, while several hundred Japanese marines armed with bayonets were on duty. There were no Chinese living in this

F/LS 793.94/4045

FILED

FEB 11 1932

793.94  
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893.1025

CJH

Page 2 - #11 from Shanghai.

in this ~~top~~<sup>area</sup>. In many sections of Hongkew the Municipal police are not permitted to resume function.

Three. It was discovered on this tour of observation that the Consular proclamations to the effect that the property of the ~~American~~<sup>✓</sup> Law School was American had been torn down and the property had again been broken into.

Four. The Japanese Consulate informed me this morning ~~the~~<sup>that one</sup> mixed brigade of Japanese troops would arrive this afternoon in Shanghai. This force is to be brigaded with the Japanese naval landing forces. This contingent is to take over Woosung. It is understood that six hundred Japanese troops are to land south of Woosung. It is understood that operations against Woosung commenced this afternoon 3:30 p.m. Still fighting.

Five. The Japanese have established an ~~aircraft~~<sup>aviation</sup> landing field on the edge of the settlement in the Yangtze - Foo District three quarters of a mile this side of the Shanghai Baptist college. It is reported that there are fourteen land planes on this field.

Six. It was also reported from fairly reliable sources that the Chinese planes are disbursed over various emergency landing fields in the vicinity of Shanghai.

Seven, (\*) of the Chinese civilian prisoners mentioned  
in my



CJH

Page 3 - #11 from Shanghai.

793.94114/1  
in my February 5, 7 p.m., which were being held under  
detention by the Japanese military in Hongkew have been  
turned over to the Shanghai Municipal Council.

Repeated to the Legation Nanking, and Tokyo for  
information.

CUNNINGHAM

HFD

(\*) apparent omission.

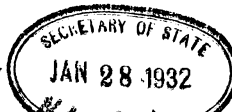
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

RECEIVED

JAN 28 1932

SECRETARY'S OFFICE

DEPARTMENT OF STATE  
THE UNDER SECRETARY



January 27, 1932.

Division of  
FAR EASTERN AFFAIRS  
FEB 5 1932

Memorandum of conversation with the Italian Ambassador,  
January 25.

ICR

The Italian Ambassador asked me what we were going to do about the Shanghai situation. I told him that no decision had been reached and that it was very hard to know exactly what was happening. I pointed out to him that the situation was entirely different from that in Manchuria, since the International Zone in Shanghai was policed by an international force apparently completely able to keep order and that a Japanese attempt to enter the zone other than at the request of the governing body would appear to be very serious. I told him that it seemed to us that the danger might lie in a blockade of ports by the Japanese, that this would naturally constitute a very serious menace to international trade as it would appear to be an entirely illegal and high handed measure. I told him we were watching the situation with the utmost care and that we should not hesitate to act if the circumstances seemed to demand action.

W. R. Castle, Jr.

U WRC/AB

FEB 8 1932

FILED

793.94/4046

793.94  
note  
893.1025

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

TELEGRAM RECEIVED

MET

GRAY AND PLAIN

FROM

Shanghai via N.R.

Dated February 8, 1932

Rec'd 7:14 a.m.

Secretary of State,

Washington

13, February 8, 10 a.m.

The following statement was handed to me yesterday

afternoon just before 5 o'clock by the Japanese Consul General who stated that it was issued by the Japanese Government today in Tokyo and had been received by the Japanese Consulate General by cable:

(PLAIN) "Statement issued by the Japanese Government, February 7, 1932. It is the immutable policy of the Japanese Government to ensure by all means in their power the tranquility in the Far East and to contribute to the peaceful progress of the world. Unfortunately in late years the internal discord and unsettled political conditions prevailing in China coupled with rampant anti-foreign agitation have given cause for serious concern to all other powers and especially to Japan which, because of her geographical proximity and vast interests which are involved, has been made to suffer in far greater degree than

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FILED

FEB 13 1932

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790.94

MET

2-#13 from Shanghai via N.R.,  
February 8, 10 a.m.

than any other. While the Japanese Government in their solicitude for neighborly amity and international good understanding have exerted every effort to maintain a conciliatory attitude, China taking advantage of our moderation has resorted to frequent infringements of our rights and interests, to various acts of violence towards the Japanese residents and to the intensification of the vicious anti-Japanese movement which is without parallel elsewhere as it is under the direct and indirect guidance of the Nationalist party which is identified with the Nationalist Government itself.

Two. It is under these circumstances that the Shanghai incident has broken out. It is similar to the numerous outrages and insults that had previously been perpetrated at Tsingtao, Foochow, Canton, Amoy and elsewhere in that they are all characterized by Chinese contempt for Japan and the Japanese and by acts of physical violence. The Shanghai incident only happens to be the most flagrant case. On the ninth of January last, the vernacular journal 'MINKUO DAILY NEWS' published an article insulting the honor of our Imperial House. Shortly afterwards, on the eighteenth, a party

MET .

3-#13 from Shanghai via N.R.,  
February 8, 10 a.m.

party of Japanese priests and their companions, five persons in all, were subjects of an unprovoked attack by Chinese desperadoes. As the result, three of the victims were severely wounded and one was killed. The shock of these events was sufficient to explode the long pentup indignation felt by the Japanese residents in Shanghai who had suffered for many years past from, and had exercised utmost restraint in the face of, increasing Chinese atrocities and affronts.

Three. Noting the extreme gravity of the situation, the Japanese Consul General, under the instructions of the Government and in order to do all that was possible to prevent by a local solution of the question any aggravation of the case, presented to the Mayor of Shanghai on January twenty-first a set of four demands including one for dissolution of anti-Japanese societies. At three o'clock in the afternoon of January twenty-eighth the Mayor's reply acceding to the above demands was received. The Japanese authorities, hoping that tension might then relax, decided to wait and watch the performance of their promise on the part of the Chinese. However, soldiers belonging to the

note  
393,94

MET

4-#13 from Shanghai via N.R.,  
February 8, 10 a.m.

the Nineteenth Route Army then concentrated in the vicinity of Shanghai, began for reasons connected with internal politics, to display signs of recalcitrance towards Nanking authorities and appeared to be making hostile preparations in spite of the Mayor's acceptance of our terms, thus creating a new source of danger. In the meantime, Chinese soldiers in civilian costume and various lawless elements had stolen into the International Settlement creating a source of danger to the quarter in the vicinity of the municipal offices. Many alarming reports were in circulation and the residents were plunged into an agony of terror, the police of the Chapei district having taken flight. Thereupon on the twenty-eighth at four o'clock, the authorities of the Settlement proclaimed state of siege and armed forces of powers were ordered out to duty in accordance with a plan that had been previously agreed upon. It was when Japanese marines were proceeding to their assigned sector in Chapei that the Chinese opened fire upon them precipitating conflict between the Chinese and the Japanese armed forces of which the present situation is the outcome.

Four.

MET

5-#13 from Shanghai via N.R.,  
February 8, 10 a.m.

Four. As is clear from what has been said, the incident of the Chinese assault upon the Japanese priests and the incident of armed Sino-Japanese conflict were entirely separate affairs. With regard to armed collision, as it was entirely contrary to every intention of ours and as the British and American Consuls General offered tender of their good offices, the Japanese authorities sought to effect cessation of hostilities and in fact succeeded on the twenty-ninth in arriving at an agreement for truce. But on the following day, the Chinese in contravention of their pledge, opened fire once more. At a conference summoned on the thirty-first, it was agreed that the opposing forces should cease from all hostile actions during the progress of negotiations for the establishment of a neutral zone. However, the Chinese, resuming the offensive, are continuing concentration of troops in the neighborhood of Shanghai. So far, the Japanese Navy desiring, in view of the international character of Shanghai, not to aggravate the situation has refrained from taking any drastic action, while the Chinese by spreading news of Japanese defeats are manifesting even a great vehemence in their action.

Five.

MET

6-#13 from Shanghai via N.R.,  
February 8, 10 a.m.

Five. In the existing state of affairs in China, uncontrolled and uncontrollable, and in view of the historical precedents in such cases, we can have no assurance as to the possible behavior of the vast armies congregated in Shanghai area, should unscrupulous politicians care to incite them. Our marines opposed to Chinese forces outnumbering them by more than ten to one are being wearied to exhaustion while the predicament of the Japanese residents facing imminent danger as they do is beyond description. In order to meet the absolute necessity of at once despatching adequate military reinforcements (as there are obvious limitations to naval units which can be landed) so as to put an end to the menace of Chinese armies, to restore Shanghai to normal conditions and to relieve the inhabitants of all nationalists from the strain of fear and disquiet, decision was taken to order necessary military forces to Shanghai.

Six. It should be stated that this despatch of military forces carries no more significance than the despatch of marines in accordance with the practice on several previous

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

MET

7-#13 from Shanghai via N.R.,  
February 6, 10 a.m.

previous occasions and that the Japanese Government are prompted by no other motive than that of discharging their international duty and of safeguarding the large number of Japanese nationals and the Japanese property worth many hundreds of millions involved in the affair.

The expeditionary force has been therefore limited to strength absolutely required for the above purposes and its action will be guided solely by the policy of protecting common interests of all powers. Unless the Chinese by continuing hostilities or by obstructing our army is attained the above ends compels it to take necessary actions, there is of course no intention whatever that it should enter upon aggressive campaign. The Japanese Government have already declared that they cherish no political ambitions in the region of Shanghai nor any thought of encroaching there upon the rights and interests of any other powers. What they desire is to promote the safety and prosperity of that region by cooperation with other powers and mutual assistance and so to contribute to peace and wellbeing of the Far East."

Repeated to the Legation and Nanking.  
(WSB)

CUNNINGHAM

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

TELEGRAM RECEIVED #1



REP

FROM

PLAIN

Peiping via N. R.

Dated February 8, 1932

Rec'd 4:50 a. m.

F/LS

793.94/4048

Secretary of State,  
Washington.

208, February 8, 11 a. m.

Following from Reuter, Shanghai, February seventh:

"Reuter has been officially informed that the advance guard of the newly arriving Japanese division from Japan landed at Woosung at three thirty this afternoon.

Reuter's special Woosung correspondent reports at four forty-five p. m. that Japanese destroyers were then shelling Woosung village, at the confluence of Woosung Creek and the Whangpoo River aided by Japanese military forces and several armed cars from Shanghai, which, as the bridge over the creek has been destroyed, have taken up a position on the south bank and are pouring a hail of lead into the village. The Chinese troops there are defending the village very gallantly while the villagers, who are mostly poverty stricken fisher folk, are fleeing to the countryside terrorized.

February seven, eight thirty p. m. It is learned that nine hundred Japanese troops, the advance guard of a

mixed

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FEB 11 1932

793.94  
note  
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REP

2- #208, from Peiping, Feb. 8, 11a.m.

893.0146  
mixed brigade from Japan, disembarked today from the Yangtze estuary beyond Woosung and, advancing along the Shanghai Woosung Railway, took Kiangwan, three miles from the north station, Shanghai.

The Japanese troops appear to be definitely planning not to enter the International Settlement but to operate solely from Chinese territory.

The latest news from Woosung is that all is silent. It is believed that Japanese marines and troops have succeeded in occupying Woosung village but the Chinese flag is still flying over the Woosung forts.

FOR THE MINISTER

PERKINS

WSB

TELEGRAM RECEIVED

COPIES SENT TO  
ONE AND M.I.D.

REP

FROM

GRAY

Tokio

Dated February 8, 1932

Rec'd 9:10 a. m.

Secretary of State,  
Washington.

52, February 8, 6 p. m.

In the vernacular press of yesterday and today only three important editorials dealt with the Shanghai situation. Those in the TOKYO NICHU NICHU and OSAKA MAINICHI were identical,, stating that the powers are unreasonable in the advice they have given Japan as they do not demand cessation of unlawful anti-foreign movements by China, that the Chinese army must be forced to stop fighting, and that Japan should despatch troops if it is necessary. The HOCHI'S editorial was in defense of the despatch of troops claiming it unavoidable because China is continuing offensive operations. This paper feels that the powers should remain silent because the aggravation is one between China and Japan only as Chinese military actions have been aimed at Japan alone. The time for cooperation will be after China challenges the other powers.

FORBES

WSB

F/LS 793.94/4049

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FEB 16 1932

Division of  
FAR EASTERN AFFAIRS  
FEB 8 1932  
Department of State

793.94

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TELEGRAM RECEIVED

REP

FROM

GRAY

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

Nanking via N. R.

Dated February 8, 1932

Rec'd 11 a.

Secretary of State,  
Washington.

February 8, 3 p. m.

Unless otherwise instructed I shall go to Shanghai

taking with me Naval Attache, leaving Engert and Murray  
here. My British colleague and I believe that our  
presence at Shanghai might help in current negotiations  
for peace.

Repeated to Peiping, Shanghai, Tokyo and Commander  
in Chief.

JOHNSON

WSB

Division of  
FAR EASTERN AFFAIRS  
FEB 8 1932  
FEB 8 1932  
FEB 8 1932

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FILED

FEB 16 1932

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

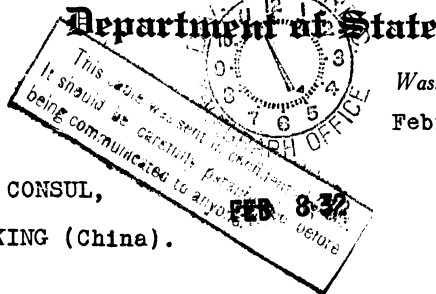
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Washington,  
February 8, 1932.

AMERICAN CONSUL,  
NANKING (China).

URGENT.

CONFIDENTIAL FOR THE MINISTER.

Your February 8, 3 p.m. Department approves.

While it assumes that problems relating to the negotiations referred to in its instruction of February 6, 8 p.m. to Shanghai, should such negotiations materialize, would be handled by Cunningham and other local officials there, the Department feels that the presence and advice of yourself and of your British colleague would greatly assist toward prompt and satisfactory solution of various of the problems outstanding in the critical situation there.

793.94/4050

*Stinson*  
487

FE:SKH:RSM/ZMF

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

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-138

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

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FEB 8 1932  
FROM : CINC ASIATIC  
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CORRECTED COPY

FEB 5

Division of  
FEB 5 1932  
Department of State

CORRECTED COPY

0004 THREE CRUISERS FOUR DESTROYERS AND ONE AIR TENDER SIGHTED  
BY HOUSTON SEVERAL MILES BELOW WUOSUNG UNDER COMMAND VICE ADMIRAL  
NOMI. THIS FORCE HAS NOT BEEN AT SHANGHAI. REAR ADMIRAL SHIOZAKI  
IN COMMAND OFF SHANGHAI AND CAPTAIN BARON SAMEJIMA IN DIRECT  
COMMAND ASHORE 1552

RECEIVED IN THE CODE ROOM IN SERVICE CIPHER AT 0300, 5 FEB. 1932

DISTRIBUTION.

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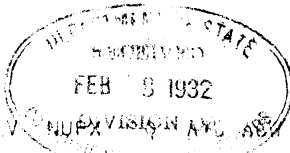
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By Milton O. Gustafson NARS, Date 12-18-75



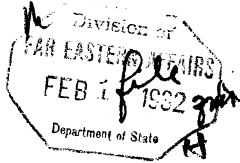
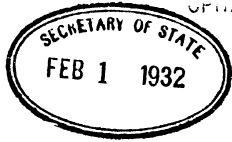
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USS SIMPSON  
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C. T. M. O. R. COMMISSION FIVE, CING ASATTO TAILOR  
OPTAY PRIOR



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B

1001 JAPANESE VESSELS CONTINUE FIRING FOR BUNKING PERIOD HAVE SHIFTED  
TENTH TO GET OUT OF LINE OF FIRE PERIOD FIRING  
CONTI UUS INTERETTELY NO WARNING WAS GIVEN 2001

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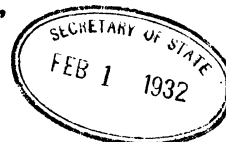
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75



February 1, 1932.

FIRING UPON NANKING

Message telephoned by Commander Chandler,  
Navy Department, at 11:55 a. m.



U.S.S. SIMPSON

NANKING 11:30 p.m. February 1.

Japanese vessels continue firing on Nanking. Have  
shifted berth to get out of line of fire. Firing continues  
intermittently. No warning was given.

793.94/4051

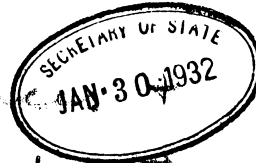
JUN 4 1932

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS



*Approved for  
Governments other  
than American  
at Shanghai.*

RECEIVED

JAN 30 1932

SECRETARY'S OFFICE

REMOVED

JAN 30 1932

5886 NPG

FROM: USS TRUXTON

TO: CINCASIA TIC

INFO: COMDESDIV 14-~~XX~~YANGPAT-OPNAV

0029 JAPANESE NAVAL FORCES CONTINUE OCCUPY CHAPBI DISTRICT OUTSIDE  
INTERNATIONAL SETTLEMENT AND CHINESE OFFER NO ORGANIZED RESISTANCE  
BUT SOME CASES OF SNIPERS. FOREIGN SETTLEMENTS AND FOREIGN RESIDENTS  
HAVE NOT BEEN INVOLVED IN ACTION OTHER THAN POLICE AND PROTECTION OF  
SETTLEMENT. IT IS REPORTED THAT JAPANESE NAVAL COMMANDER HAS DEMANDED  
FROM CHINESE MAYOR THAT CHINESE TROOPS BE WITHDRAWN FROM SHANGHAI AREA  
OR THAT JAPANESE FORCES WILL DRIVE THEM OUT. CANTONESE TROOPS ARE  
REPORTED TO BE OPPOSED TO GIVING WAY TO JAPANESE. RUMORS AND REPORTS  
CHANGE QUICKLY. BRITISH BRIGADIER GENERAL IS SENIOR FOREIGN MILITARY  
COMMANDER, JAPANESE REAR ADMIRAL IS SENIOR FOREIGN NAVAL OFFICER AND  
COMMANDING OFFICER HMS CORNWALL NEXT SENIOR FOREIGN NAVAL OFFICER.

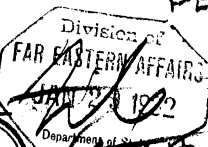
FORCES PRESENT THIS LOCALITY ESTIMATED AS FOLLOWS CHINESE 12,000  
TROOPS; JAPANESE 2 CRUISERS, 16 DESTROYERS, 1 GUNBOAT, 1 AIRPLANE  
CARRIER AND 4,000 TROOPS ON SHORE COMPOSED OF LANDING PARTY FROM SHIPS  
AND RESERVES; BRITISH 1 CRUISER, 3 GUNBOATS, 2,100 TROOPS; FRENCH 3  
GUNBOATS, 1,000 TROOPS; ITALIAN 1 CRUISER, 1 GUNBOAT 1330  
DISTRIBUTION

ACTION 13

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JAN 30 1932



793.94/4051

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1045 29 JANUARY 1932

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

MET

GRAY

Shanghai via N.R.

Dated January 29, 1932

Rec'd 4:30 a.m.

Secretary of State,

Washington

January 29, 10 a.m.

Japanese naval units now at Shanghai comprise: 17  
destroyers, 4 cruisers, 1 aircraft carrier, 1 gunboat.  
Of these units 12 destroyers and 1 cruiser arrived yesterday.

Repeated to the Legation.

CUNNINGHAM

WSB-HPD

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

FO : CHIC. STAFFS  
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SECRETARY OF STATE  
FEB 1 1932

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Division of  
FAR EASTERN AFFAIRS  
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Department of State

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JUN 4 1932

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

0000 NEW

FROM: NAVAL ATTACHE PEIPING  
TO : NAVINTEL  
INFO: CINCASLATIC

XT YT

RECEIVED IN SERVICE CIPHER

0030 REPORTED JAPANESE HAVE COMMANDEERED C.E.R. TO HARBIN AT  
KUANG CHETOTZE (CHINESE TOWN OF CHANG CHUN) AND CONVEYING TROOPS  
NORTH. RE C.E.R. OPERATING 10 TRAINS ON SOUTH AND EAST BRANCHES  
SOVIET RAILWAY OFFICIALS PROTESTING RAILWAY IS NEUTRAL AND SHOULD  
NOT BE USED TO TRANSPORT TROOPS JAPANESE ADVANCE NORTHWARD  
IMPEDED BY SIBERIAN CHINESE FORCES DIRECTED AGAINST RAILWAY BRANCHES  
TRACKS AND SWITCHES. JAPANESE CONSULATE NOTIFIED AMERICAN CONSUL  
GENERAL THAT AMERICANS SHOULD REMAIN INDOORS 1900

ACTION 16

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RECEIVED IN CODE ROOM  
0800 30 JANUARY 1983

NAVAL INTELLIGENCE  
RECEIVED



JAN 30 1983

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



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G

FROM: WESTERN UNION TELEGRAPH COMPANY  
TO: NAVAL COMMUNICATION OFFICE  
WASHINGTON 20 501 6 1932

TELETYPE

TO: WASHINGTON  
YOUR MESSAGE  
XXX: HAVING BEEN NOT RECORDED / REPEAT  
XXX: HAVING BEEN NOT RECORDED / XXX: NOT RECORDED

MITCHELL

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16 ACTION

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JUN 4 1932

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

1206 NPG

FROM: SM HONOLULU

ACTION: ALL SHIPS AND STATIONS

1705 TEN PEARL DEPARTURES SIXTH FROM LOW POINT TUTUILA FOR  
KXMK HANKOW FROM HANKOW PALOS FOR ICHANG ARRIVE SIXTEEN HOURS  
ELEVENTH 2230

38 ACTION

19 13



793.94/4051  
H

JUN 4 1932

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

1222NPG

Z TO R V ACW NICE GR OR

FROM PACIFIC ASIANIC  
ACTION DNI  
SF



793.94/4051

1606 CHANGES FOREIGN MEN OF WAR AT HANKOW FRENCH BALNY JAPANESE SIVA  
AT CANTON BRITISH TARANTULA CIGALA MOORHEN FRENCH ARSUC JAPANESE SAG  
STATON JAPANESE TAKE KAYA FUCHOY JAPANESE KITAKAMI AT YOGSUNG BATTLE  
SERVICK 1400

0825 HC 0 FEB

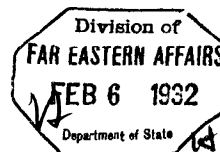
JUN 4 1932

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

1415 HPG FROM COMYANGPAT  
TO CINC ASIATIC  
INFO USS JALISON CENAV



0006 BANGKOK UNDISTURBED BUSINESS ENTERPRISES DURING ENTIRE CITY  
VERY QUIETLY CELEBRATING CHINESE NEW YEAR 1932  
RECD IN SERVICE CENTER AT 0600 6 FEBRUARY 1932

13 ACTION 00 00A 01 00A 11 15 18 20 20A  
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JUN 4 1932

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1195 NPG

FROM NAVAL ATTACHE BEIJING

TO NAVINTEL

INFO CINC ASIANC AMERICAN EMBASSY



CHINA. CHINESE FORCES HAVE HAD HARDER AFTERNOON FIGHT FROM SOME  
CHINESE TROOPS RETREATING IN DISORDER. CHINESE RESIDUES IN  
HAINAN FACING DANGER TO THEIR NATIONALS RESIDENT ALONG THE  
BORDER AND OF THE FRONT LINE. PARTICULARLY AT HAINAN AND ARE  
REPORTING TROOPS IN HAINAN AREA FOR THEIR PROTECTION.  
SEVERAL SOURCES REPORT HAINAN CHINESE. CHINESE RAILWAY OFFICIALS  
HAINAN SENT MAJORITIES LOCOMOTIVES TO HAINAN. CHINESE RAILWAY  
LOCOMOTIVES TO HAINAN.  
CHINESE RAILWAY OFFICIALS AT HAINAN. CHINESE RAILWAY OFFICIALS AT HAINAN.

793.94/4051  
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FILED  
JUN 4 1932

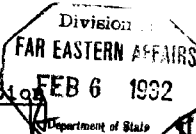
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 Department of State letter, August 10, 1972  
 By Milton O. Gustafson NARS, Date 12-18-75

op-36-A-MW

6 February 1932

Vessels operating on Asiatic Stations



Manila - All submarines except S-40  
 (eleven S-boats)  
 BEAVER  
 CANOPUS  
 MACLEISH  
 PECOS  
 PIGEON  
 TRACY

Cavite - AVOCET  
 HERON  
 JASON  
 S-40

Canton - HELENA  
 MINDANAO

Nanking - SIMPSON  
 EDSALL

Chungking - GUAM

Mopanshih - PANAY

Hankow - LUZON  
 OAHU

Pagoda Anchorage - MCCORMICK

HongKong - GOLD STAR  
 STEWART

Shanghai - HOUSTON  
 TRUXTON  
 BORIE  
 PAUL JONES  
 PARROT T  
 BULMER  
 PEARY  
 J.D. FORD  
 POPE  
 WHIPPLE  
 S. THOMPSON  
 BARKER  
 EDWARDS  
 CHAUMONT

Hsinho - TULSA

Ichang - MONOCACY

FINCH departed Manila 1 Feb. due Shanghai 7 Feb. (1800)  
 BITTERN " " " " " " " " " "  
 ISABEL " " " " " " " " " "  
 BLACK HAWK " " 3 " " " " 9 "  
 TUTUILA " Low Point 5 Feb. due Hankow 11 Feb. (1600)  
 PALOS " Hankow " " " Ichang " Feb. "

793.94/4051  
 L

JUN 4 1932

RECORDED

THIS COPY FOR STATE DEPARTMENT

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

XS

YT

DECLASSIFIED

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

OSD letter, May 3, 1972

NARS Date March 19, 1973

FROM: NAV L ATTACHE TOKYO

TO : NAVINTEL

1629 OUR EMBASSY LAST NIGHT RECEIVED INFORMATION FROM THE LOCAL GOVERNMENT THAT SHANGHAI OFFICIALS HAD ACCEPTED TERMS OF FOUR DEMANDS MADE, INCLUDING THE BREAKING UP OF THE ANTI-JAPANESE SOCIETY IN SHANGHAI. FIGHTING IN THAT CITY BETWEEN THE CHINESE AND JAPANESE WAS REPORTED IN EXTRA EDITIONS OF LOCAL PAPERS THIS MORNING AT 1130 TODAY WAS INFORMED AS FOLLOWS DURING A CALL AT THE NAVY DEPARTMENT: THAT JAPANESE DEMANDS HAD BEEN ACCEPTED BY CHINESE AUTHORITIES FROM THURSDAY AT 1600 THAT FOLLOWING THIS ANNOUNCEMENT REGULAR CHINESE TROOPS OUTSIDE CITY COMMENCED ENTERING SHANGHAI, WHEREUPON MUNICIPAL COUNCIL OF FOREIGN SETTLEMENT CONFERRING WITH REPRESENTATIVES OF JAPAN STATED MARTIAL LAW WAS NECESSARY FOR THE SETTLEMENT AND DECIDED THAT THEIR FORCES IN THE SETTLEMENT WOULD UNITE FOR GUARDING UNDER THE COMMAND OF THE SENIOR OFFICER PRESENT OF THE FOREIGN FORCES JAPANESE FORCE NOT INCLUDED IN ABOVE BUT WOULD FUNCTION OUTSIDE SETTLEMENT UNDER ITS OWN LEADERSHIP TO PROTECT THEIR OWN INTERESTS AND NATIONALS SOON AFTER THIS THE JAPANESE DESTROYERS BEGAN TO LAND SAIDORS AND PROCEEDED OUTSIDE OF SAID AREA TO PROTECT THEIR COLONY THEY CLASHED WITH CHINESE GOVERNMENT SOLDIERS NEAR THE NORTH STATION ABOUT 2300 WHILE MOVING TO THEIR POSITION JAPANESE WERE SUCCESSFUL IN OCCUPYING THEIR COLONY FRIDAY AT 1700 AFTER BEING ONCE DRIVEN BACK ABOVE ACTION FOLLOWED DECISION OF COUNCILS CONFERENCE ON THE AFTERNOON OF THE 30TH 4 DESTROYERS AND ONE CRUISER WILL BE DESPATCHED FROM SASERO AND ADDITIONAL SHIPS WILL BE PREPARED FOR EMERGENCY INCLUDING ONE PLANE CARRIER ADDITIONAL SHIPS PRESENT WILL SERVE PURPOSE OF PROVIDING MORE

793.94/4051  
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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

~~CONFIDENTIAL~~

SHEET 2

personnel as required SHIP BATTERIES NOT TO BE EMPLOYED EXCEPT AS  
 EMERGENCY REQUIRES AND THEN IN AREAS OUTSIDE OF FOREIGN ONLY.  
 NON-COMBATANTS TO BE GIVEN AMPLE WARNING IN ORDER TO MOVE CASUALTIES  
 REPORTED AT TIME OF MY CONVERSATION AS FOLLOWS: 9 KILLED INCLUDING  
 1 OFFICER 28 BADLY WOUNDED INCLUDING 1 OFFICER AND 18 MINOR CASUALTIES  
 INCLUDING 1 OFFICER. CAPT. SAMJIMA. JAPAN AFTER CONSULTING WITH  
 MUNICIPAL COUNCIL SEEMS TO BE ACTING IN GOOD FAITH, WITH DESIRE THAT  
 AFFAIR BE LIMITED TO SHANGHAI IN THEIR EFFORT TO BREAK UP ANTI-  
 JAPANESE SOCIETIES AND EXHIBIT SUCH A SHOW OF FORCE AS WILL SATISFY  
 THE DEMANDS MADE BY THEIR NATIONALS IN SHANGHAI AS WELL AS THE  
 MONEYED INTERESTS 1900

DISTRIBUTION

RECEIVED IN CODE ROOM  
 1840 29 JANUARY 1932.

16 .....ACTION

10A.....SHOWN

11.....SHOWN

19.....

20.....

DALY.....

FILE

TRANSATLANTIC TELEPHONE CONVERSATION BETWEEN THE SECRETARY  
AND HUGH GIBSON, AMERICAN MINISTER TO BELGIUM, AT GENEVA,  
2:00 P.M. Long Wave

February 8, 1932.

Shanghai

GIBSON: Did the Secretary tell you about his talk with Sir John Simon?

CASTLE: Yes. The Secretary is on the wire now.

GIBSON: I had a very satisfactory talk with Sir John Simon and he brought me up to date in the matter and he is hoping to be able to keep the Council from taking vigorous action while negotiations are pending.

SECRETARY: I think that is probably wise, but I am not very troubled even if they did. I <sup>was</sup> am in a very pacific frame of mind.

GIBSON: I understand.

SECRETARY: So long as they are instituting on the Japanese initiative some proposals which may probably affect the truce in Shanghai. We agreed with Sir John that it would be wise not to rock the boat.

GIBSON: Yes, all right. Yen, the Chinese Minister, has asked for a meeting. There probably will be a meeting tomorrow.

SECRETARY: I don't want to have the American representative at Geneva try to hold China down.

GIBSON: All right. No such action.

SECRETARY: The sympathies of this country are at present very strongly with China on the Shanghai affair. While we

793.94/4051 1/2

Confidential File

-2-

are taking a neutral position, of course we feel that she has been outrageously treated.

GIBSON: All right, Mr. Secretary, I am very glad to have your view..

SECRETARY: If that be treason, make the most of it.

GIBSON: All right. Good-by.



TELEGRAM RECEIVED

MET

FROM

GRAY

Nanking via N.R.

Dated February 8, 1932

Secretary of State,

Washington

February 8, 5 p.m.

I have repeated Tientsin's February 7, ~~11 a.m.~~ <sup>4035 (noon?)</sup> to the Embassy in Tokyo and have added "I wonder whether on an appropriate occasion it might not be possible to mention this to the appropriate Japanese authorities. I understand that my French and British colleagues here are communicating with their respective Embassies in similar sense".

JOHNSON

WSB

F/DEW

793.94/4052

PTD

FEB 12 1932

793.94  
note  
822.102-T

Division of  
FAR EASTERN AFFAIRS  
FEB 9 1932  
Department of State  
FEB 9 1932  
4035  
(noon?)  
11 a.m.

DECLASSIFIED: E.O. 11652, 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

MET

FROM

GRAY

Nanking via N.R.

Dated February 8, 1932

Secretary of State,

Washington

February 8, 5 p.m.

Rec'd 11:45 a.m.

Division of  
FAR EASTERN AFFAIRS  
FEB 9 1932  
Department of State

FEB 9 1932

4035  
(noon?)

I have repeated Tientsin's February 7, ~~11 a.m.~~ to the Embassy in Tokyo and have added "I wonder whether on an appropriate occasion it might not be possible to mention this to the appropriate Japanese authorities. I understand that my French and British colleagues here are communicating with their respective Embassies in similar sense".

JOHNSON

WSB

FEB 12 1932

FTD

F/DEW 793.94/4052

793.94  
note  
625.152-T

183

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

1-138  
 PREPARING OFFICE  
 WILL INDICATE WHETHER

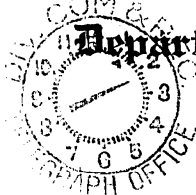
AM RECD TELEGRAM SENT

*man*

1-138  
 TO BE TRANSMITTED  
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 PLAIN

Collect  
 Charge Department  
 OR  
 Charge to  
 \$

Department of State



Washington,

February 9, 1932.

*2 R*

AMERICAN CONSUL

**FEB 9 32**  
 NANKING (CHINA).

**28**  
 CONFIDENTIAL.

*793.94/4052*

Reference the Minister's February 8, 5 p.m. The  
 American Ambassador at Tokyo has been informed that  
 the Department endorses the Minister's suggestion  
 that the Ambassador might, on an appropriate occasion,  
 mention to the Japanese Foreign Office the recent  
 occurrence at Tientsin and call to its attention the  
 condition of affairs referred to in the closing  
 sentence of Tientsin's telegram of February 7, 11 a.m.

793.94/4052

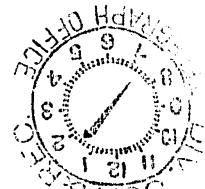
Repeat to the Minister if he has left Nanking  
 and to the Legation.

*Spinson*  
*WJ*

ON  
 Feb. 9, 1932.

**FEB 9 32**

*Ram*  
 FE: RSM: EJJ FE



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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE

TELEGRAM RECEIVED

REF

FROM

GRAY

Nanking via N. K.

Dated February 8, 1932

Rec'd 10:35 a. m.

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

Secretary of State,  
Washington.

February 8, midnight.

My February 5, 10 p. m.



1793.94  
note  
893.102-Nanking

Japanese Consul informs Peck in a letter February 5th that he has arranged with the Chinese military authorities that the recently constructed Chinese trenches on the Pukow side should be filled in. On the other hand Japanese have withdrawn objection to one thousand Chinese troops being moved from Pukow to Nanking upon assurance that they were merely to replace troops sent north and for the maintenance (\*) cover the guns on the warships "with a view to relieving the populace of uneasiness".

It would appear, therefore, that the arrangement referred to by the Minister of War in his conversation with me has been carried out. However, as long as six Japanese naval vessels remain in Nanking without apparent reason other than to intimidate the Chinese Government the danger of an incident and the consequent tension will continue

F/DEW

793.94/4053

FILED

MAR 5 1932

REP

2- from Nanking, Feb. 8, midnight.

continue (see my February 5, <sup>13994</sup> 10 p. m.).

Repeated to the Legation, Peiping, Tokyo and  
Commander in Chief.

JOHNSON

RR

HPD

(\*) Apparent omission

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

TELEGRAM RECEIVED

REP

CORRECTED COPY  
FROM

GRAY

Nanking via N. R.

Dated February 8, 1932

Rec'd 10:35 a. m.

Secretary of State,

Washington.

February 8, midnight.

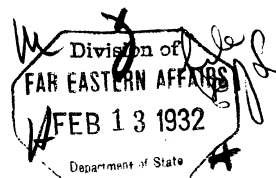
My February 5, 10 p. m.

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Japanese

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



793.94/4053

FEB 19 1932

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TELEGRAM RECEIVED

REP

CORRECTED COPY  
FROM

GRAY

Nanking via N. R.

Dated February 8, 1932

Rec'd 10:35 a. m.

Secretary of State,  
Washington.

February 8, midnight.

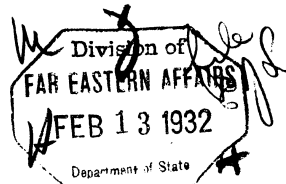
My February 5, 10 p. m.

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Japanese

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



793.94/4053

FEB 19 1932

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

REP

2-#from Nanking, Feb. 8, midnight.

Japanese naval vessels remain in Nanking without apparent reason other than to intimidate the Chinese Government the danger of an incident and the consequent tension will continue (see my February 5, 10 p. m.).

Repeated to the Legation, Peiping, Tokyo and Commander-in-Chief.

JOHNSON

RR

HPD



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

4054

793.94

## DOCUMENT FILE

### NOTE

SEE 894.113/292 FOR MEMORandum

FROM State Department ( Hill ) DATED Feb. 12, 1932  
TO Legal Adviser NAME 1-1127 ...

REGARDING: Military operations now in progress between China and Japan:

It does not appear that either country has issued a declaration of war or an ultimatum in accordance with the stipulations of Article I of the 1907 Hague Convention (III); consequently they can hardly be considered as definitely at war with each other or formally as belligerents.

FRG.

793.94 / 4054

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

## DOCUMENT FILE

### NOTE

SEE 793.94115/1 FOR Tel 5,7pm

FROM Shanghai (Cunningham) DATED Feb 5, 1932  
TO NAME 1-1127 \*\*\*

#### REGARDING:

Prisoners of war in connection with the Manchurian dispute between  
China and Japan.

ek

793.94/4055

MET

GRAY

Shanghai

Dated February 5, 1932

Rec'd 12:45 p.m.

Secretary of State,

Washington

5, February 5, 7 p.m.

The Shanghai Municipal Council at its meeting yesterday decided to ask the Consular body's support in securing the release of the prisoners that were being detained by Japanese military authorities in the Settlement. This request was orally transmitted to the Consul this morning and at a meeting convened for the purpose of considering what representation should be made, the Secretary General presented the action of the Council and stated that two suggestions had been made, first, that an international court should be established to try those prisoners detained by the Japanese and, second, that an International Committee should <sup>be</sup> appointed by the body for the purpose of inspecting and determining whether a prima facie case existed against those prisoners detained.

The first proposal was considered impractical and difficult, if not impossible to carry into effect, therefore, the second proposal was being considered by the full body,

MET

2-#5 from Shanghai, February 5,  
7 p.m.

body, including the Japanese Consul General, when the Japanese Consul General stated that the military authorities were prepared to turn over immediately those prisoners who were taken within the Settlement boundaries, upon the inquiry as to whether he would accept the services of an international committee to visit the prisoners, he stated that he would reply within a few hours but he felt sympathetic to the suggestion.

He stated that there were probably approximately 100 prisoners being detained, that there had been as many as 300, some had been executed and some had been released. If, as I believe, the committee proposal is acceptable to the Japanese it is my intention to support the appointment of a committee of smaller powers supplemented, if it seems desirable at that moment, by one British and one American and my desires are to appoint Sellett if he will accept.

The Japanese Consul General assured us that reinforcements would not be landed in the Settlement; that they would be landed elsewhere. He stated that the Woosung fort had not yet been occupied by the Japanese Navy.

Repeated to the Legation, Nanking and Tokyo for information.  
KLP-HPD

CUNNINGHAM

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

## DOCUMENT FILE

### NOTE

SEE 393.11/1414 FOR Tel. # 32, 5 pm

FROM Nanking (Peck) DATED Feb. 5, 1932.  
TO NAME 1-1127 o p o

#### REGARDING:

Fighting in the Shanghai area continuing  
with apparently undiminishing intensity.  
Statement being released by Consulate  
General.

793.94/4056

hs

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

WP

GRAY

Nanking

Dated February 5, 1932

Rec'd 9:20 p. m. 6th.

Secretary of State,

Washington

32, February 5, 10 p. m.

The Consulate General has today advised that all women and children and men whose presence is not urgently required in Nanking evacuate. Evacuation will begin morning of sixth, by passenger steamers and trains. Following statement has been released: the American Consulate General at Nanking is apprehensive lest it become daily more important to leave Nanking, should an emergency require such measures. The fighting in the Shanghai area continues with apparently undiminishing intensity and there is little prospect of the railway resuming operation in the future. Navigation on the Yangtze continues, but if hostilities should spread to larger areas this method of reaching Shanghai might, also, become obstructed. The Tientsin Pukovu railway may be similarly obstructed at its southern terminus.

For

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

- 2 - No. 32 from Nanking

For these reasons the American Consulate General advises that American women and children in Nanking, as well as those men not engaged in important work here, should leave Nanking temporarily for some other place and return when the present military operations have terminated.

Repeated to Legation, Tokyo and Nanking.

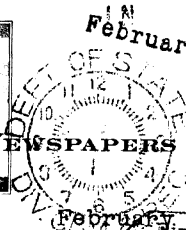
PECK

OX

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

SCRIPPS-HOWARD NEWSPAPERS

ROY W. HOWARD  
CHAIRMAN OF THE BOARD  
230 PARK AVENUE  
NEW YORK



February 18 1932. *FE*

February 5, 1932  
Division of  
FAR EASTERN AFFAIRS  
FEB - 6 32  
FEB 8 1932  
Department of State

My dear Mr. Secretary:

In compliance with the request of  
the sender I am enclosing copy  
of a cable received this  
morning from Mr. Chly, Chairman  
of the Universities Union at  
Shanghai, China.

In the meantime, we have given it  
to the press associations.

Very truly yours,

*Henry L. Stimson*

Honorable Henry L. Stimson,  
Secretary of State,  
Washington, D. C.

RWH:B-

PS: Please do not trouble to acknow-  
ledge.

RWH.

F/LS 793.94/4057

FILED

FEB 17 1932

*and*



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

20JB A94 89 CPC Shanghai 3:40 PM Feb. 5

PRESS UNIPRESS NY

FORWARD ROYHOWARD TRANSMISSION THROUGH SCRIPPSHOWARD  
 PAPERS SECRETARY STIMSON SENBORAH PRESENTLER PROFMONROE  
 COLUMBIAUNIV QUOTE JAPANESE WANTON ATTACKS ON INNOCENTS  
 AND AERIAL BOMBARDMENTS ON DEFENSELESS POPULATION  
 CHINESE TERRITORY SHANGHAI CONTINUE DAILY SINCE JANUARY  
 TWENTYEIGHTH COMMERCIAL PRESS ORIENTAL LITERARY CHINESE  
 CHURCHES CANTON MERCHANTS HOSPITAL MANY SCHOOLS BURNT  
 PASTORS TEACHERS STUDENTS IMPRISONED INNUMERABLE INHUMAN  
 ACTS COMMITTED LASTEST CHICHIH COLLOGE INVADDED ALL  
 SERVANTS KILLED BUILDINGS THEN BURNT STOP IN NAME JUSTICE  
 HUMANITY WE ASK YOUR EFFORT TERMINATE JAPANESE VANDALISM  
 PRESERVE CHINESE CULTURAL INSTITUTIONS UNQUOTE

UNIVERSITIES UNION CHLI CHAIRMAN

635A

DECLASSIFIED: E.O. 11652, 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 10, 1932

In reply refer to  
 FE 793.94/4057

Mr. Roy W. Howard,  
 Chairman of the Board,  
 Scripps-Howard Newspapers,  
 230 Park Avenue,  
 New York, New York.

Sir:

I acknowledge with thanks the receipt of your letter of February 5, 1932, enclosing a copy of a cable which you received from the Chairman of the Universities Union at Shanghai, China, in regard to the present situation at Shanghai.

Your courtesy in sending the Department a copy of this cable is appreciated.

Very truly yours,

H. L. STIMSON



Feb. 10 1932.

FE: EGC: REK  
 2/15/32

FE

m.m.h.

ci  
 msl

793.94/4057



THE SECRETARY OF THE INTERIOR  
WASHINGTON

February 8, 1932.

RECEIVED

FEB 8 - 1932

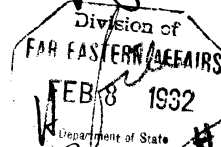
SECRETARY'S OFFICE

My dear Mr. Secretary:

The inclosed cablegram has just been received from  
a friend of mine, David Yui, of Shanghai.

As requested by him, I am sending a copy to the  
President.

Very sincerely yours,



Hon. Henry L. Stimson,  
Secretary of State.

Inclosure.

FE  
F/LS 793.94/4058

FILED  
FEB 24 1932

COPY OF POSTAL TELEGRAPH.

February 8, 1932.

NA 17 162 Cable

Shanghai 7 705P

Secretary Wilbur,

Washington, D. C.

After Chinese acceptance all conditions ultimatum satisfactory to Japanese Consul and without provocation from Chinese, Japanese Admiral landed large Naval contingent fully equipped midnight January 28 Chinese area Shanghai, cut telegraphs, railways, deliberately violating neutrality international settlement by using it as base operation. Japanese have laid waste Chinese city of more than six hundred thousand people by aerial bombs, artillery, incendiarism. Hundreds innocent civilians shot by Japanese without trial, thousands rendered homeless, destitute. Enormous property loss including complete destruction commercial press, railway station, demolition of colleges, churches, shops, homes. Daily reinforcements landing contrary assurance given powers by Japan. Japanese outrageous action inflaming whole nation. If Japanese aggression continues unchecked internal conflagration, dissolution of responsible authority and eventual international conflict inevitable. China appreciates efforts American Government. However, exceedingly dangerous situation necessitates immediate effective action United States by Diplomatic, economic, financial pressure or military intervention in cooperation with Britain and other powers. Please communicate President Hoover.

DAVID YUI.

DECLASSIFIED: E.O. 11652, 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 23 1932.

In reply refer to  
 FE 793.94/4058

793.94/4058

My dear Mr. Secretary:

I acknowledge with thanks the receipt of your letter of February 8, 1932, transmitting a copy of a telegram addressed to you by Mr. David Yui of Shanghai, in reference to the situation at that place.

I have read the telegram with interest and have noted that a copy thereof has been sent to the President.

Sincerely yours,

E. L. STIMSON

The Honorable

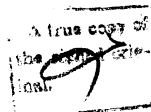
Ray Lyman Wilbur,

Secretary of the Interior.

Feb. 17 1932  
 CRP  
 Perkins

FE:RPB:KC  
 2/18/32

MCM  
 FE



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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

Conversation.

February 4, 1932.

Mr. Stanley Glines

Mr. Hornbeck.

THE UNDER SECRETARY

FEB 8 1932

DEPARTMENT OF STATE

Subject: The Shanghai Situation and  
Related Matters.

Mr. Glines is a New York business man. He was at one time secretary of a committee of American creditors of China which was organized by the Department of Commerce. He has, I think, had experience in the Far East. (NOTE: Information with regard to Mr. Glines and his present affiliations is in memorandum attached.)

Mr. Glines called. He said that the situation in the Far East looked very serious. It seemed to him that the Japanese intended to carry their military-diplomatic program to limits to be determined only by themselves; that they did not intend to be prevented by remonstrances from taking any steps which they would consider advantageous to themselves. It was his view that the military faction is in absolute control; that there was no use for outside powers to ask for any consideration either for themselves or for China unless they were willing to insist on it. He thought that they would not hesitate to injure foreign rights and nationals if these were anywhere in their way. He thought the situation might

at

793.94/4059

FILED

FEB 8 1932

993.94  
note  
7/11/94  
8/11/50

- 2 -

at any moment lead to destruction of lives and property of foreigners. He was certain that sooner or later there would be war between Japan and the United States: the Japanese expect it. He thought that, from the point of view of American advantage, the present was an opportune moment: Japan has put herself in the wrong before the world, the interests of all the foreign powers in common are involved at Shanghai, Great Britain is aligned with the United States; if war came now, neither France nor Great Britain would take Japan's side and Great Britain would probably take the side of the United States. It would be an entirely different situation from one in which, through some quarrel simply between ourselves, Japan and the United States might come to blows.

I asked Mr. Glines what the New York business community thinks about the situation. He said that for the most part they are so busy with their own immediate problems that they do not give it serious thought. He said that, from the point of view of the depression, they would welcome anything which would take the business and financial situation off of its dead center. In his opinion, a war would lift us right out of the depression. Although, it would mean the piling up of bills which would have to be paid later, its immediate effect would be to stimulate productive enterprise and reduce unemployment.

FE:SKH/ZMF

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

DEPARTMENT OF STATE

DIVISION OF EASTERN AFFAIRS



RECEIVED FEB 8 1932 FEBRUARY 5, 1932. DIVISION OF COMMUNICATIONS SECTION. STANLEY GLINES

Mr. C. K. Moser, of Department of Commerce, telephoned at 11:50 a.m. and gave me the following information regarding Mr. E. Stanley Glines.

History:

Mr. Glines used to be with the firm of Lam, Glines and Company. Company was composed of Fong Lam, the Chinese partner, and Mr. Glines, the American partner. They had an office in Tokyo, and an office in Shanghai, at 32 Peking Road. Company was formed in 1919 for the purpose of exporting to China mostly engineering and construction supplies and of importing China produce into this country. Company capitalized at \$80,000, gold, and up to 1928 did an annual turnover of \$2,000. Company went out of business in 1928, was reorganized in China by Fong Lam under the Federal Incorporation Act but it went out of business this last year.

Present Situation:

Mr. Glines is president and director of the American Founders Office Building, Incorporated, at 50 Pine Street New York City. He is vice president and director of the American Founders Corporation and director of the Equitable Trust

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FEB 9 1932



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

- 2 -

Trust Company of Baltimore. He is also vice president and director of a number of other public investment and utility corporations under the general direction of the American Founders General Corporation.

According to DIRECTORY OF DIRECTORS, 1931, Mr. Glines is director and officer of about six investment trust companies centered about the American Founders Corporation.

FE:ZMF

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

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS  
January 29, 1932.

~~CHI:~~  
~~CHI:~~  
~~RSM:~~

This is our Military Attache'  
report on the strength of the  
Volunteer Corps at Shanghai. It  
is of particular interest just

now. RECEIVED

JAN 30 1932



SECRETARY'S OFFICE

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

Division of  
 FAR EASTERN AFFAIRS  
 JAN 25 1932  
 Department of State

6180 - Distribution of Troops  
 Foreign  
 REPLACES AND 66.31

CHINA (Military)

Subject: Shanghai Volunteer Corps

Report

The strength of the Shanghai Volunteer Corps as of November 1931 was  
 follows:

JAN 30 1932

JAN 30 1932  
 SECRETARY'S OFFICE

ACTIVE UNITS

	<u>Officers</u>	<u>Other Ranks</u>	<u>Total</u>
Headquarters: Executive	13	10	23
Medical Officers	13		13
Chaplains	4		4
Light Horse	4	88	92
American Troop	5	74	79
Field Artillery Battery (Hows)	4	38	42
Light Gun Battery	3	52	55
Armored Car Company	6	117	123
"A" Company	4	58	62
"B" Company	3	89	92
American Company	4	107	111
Portuguese Company	4	91	95
Japanese Company	5	106	111
Chinese Company	6	118	124
Shanghai Scottish Company	3	72	75
Reserve Company	2	32	34
Russian Company	3	70	73
Russian Detachment	9	241	250
TOTAL ACTIVES -	95	1363	1458

793.94  
 note  
 893.102-5

F/L'S 793.94/4060

RESERVES

Other Officers	31		31
Light Horse		16	16
American Troop		3	3
Armored Car Company		7	7
American Company		3	3
Portuguese Company		15	15
Chinese Company		16	16
Shanghai Scottish Company		12	12
TOTAL RESERVES -	31	73	104

FILED

Special Reserves	8	281	289
GRAND TOTAL -	128	1717	1845

NOTE: The Field Artillery has 4 guns; the Light Gun Battery 4 guns;  
 the Armored Car Company, 10 cars.

For and in the absence of the Military Attache:

Parker G. Tenney  
 Captain, Field Artillery  
 Assistant Military Attache

From M/A, China

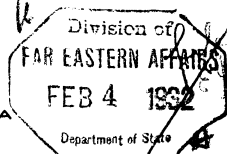
Report No. 8170

December 21, 1931

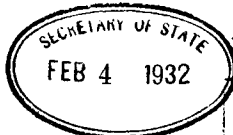
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75



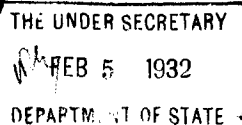
AMBASCIATA D'ITALIA  
WASHINGTON



Personal  
Very urgent



January 31st, 1932



My dear Mr. Stimson,

I have been unexpectedly called to New York and it is therefore impossible for me to communicate to you personally a telegram I received last night from Rome, to the effect that the Royal Ambassador at Tokyo has received instructions to call the attention of the Japanese Government to the fact that the International Settlement at Shanghai is a zone wherein various Governments are interested and hence that, should an action become necessary, all the Powers concerned should be previously informed and invited to act jointly.

The Italian Ambassador at Tokyo has further been instructed to make it clear to the Japanese Government that a Japanese action in the Settlement, not following an understanding with the Powers concerned, could not but produce an unfavorable impression.

Count Marchetti will call to-morrow on Mr. Hornbeck, but I have desired not to leave before bringing what precedes to your knowledge.

Believe me, my dear Mr. Stimson,

very sincerely Yours

*Gustafson*

His Excellency  
the Honorable Henry L. Stimson,  
Secretary of State,  
Department of State,  
Washington D.C.

FILED

FEB 9 1932

F/LS

793.94/4061

793.94  
note  
893.1025

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

## DOCUMENT FILE

### NOTE

793.94/4062

SEE 894.51/327 FOR letter

FROM Louis McFadden MC ( ) DATED February 5, 1932  
TO NAME 1-1127 070

#### REGARDING:

International Loan to Japan for the purpose of financing her  
activities against China. Expresses disapproval and desires information  
concerning the-

ek



793.94

[illegible]

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

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

FE

Division of  
FAR EASTERN AFFAIRS  
FEB 8 1932  
Department of State

1270 NPG

L Z 05Q PEAT V WICK GR 23

FROM SM HONOLULU  
ACTION ALL SHIPS AND STATIONS H

1700 ELEVEN PEARL ARRIVALS SIXTH AT SHANGHAI ISATEL AT SOUTHEAST  
CAPIT BUOY BULMER DEPARTURES SIXTH FROM SHANGHAI BULMER PARROTT FOR  
LOWER YANGTZE 0830

38 ACTION

19

101 PL G, FLB

THIS COPY OF STATE DEPARTMENT

793.94/4063

JUN 4 1932



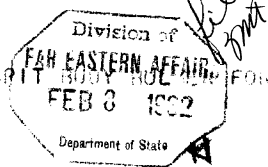
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

1335NPD LZ 05Q PEAT V WICK OR 13 FEB-7- 24-47

FROM SM HONOLULU  
ACTION ALL SHIPS AND STATIONS  
SF

1746 TWELVE PEARL DEPARTURES SEVENTH FROM SOUTH SPIT BODY NOE LUM FOR  
CHICKIANG 1335

0439 10 7 FEB



793.94/4063  
B

38 ACT  
19

U.S. DEPARTMENT OF STATE

JUN 4 1962

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

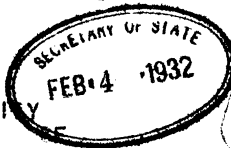
- FE

008 PG Z AGC V C6P Q D7J LARK P 30 37

FROM  
ACTION  
INFO

FOURTH REGIMENT  
CINC XXX ASIATIC  
COMYANGPAT OPNAV

PRIORITY



793.94/4063

1. JAPANESE PLANE CRASHED BOARDING CHINESE LINES FLYING OVER AND ALONG  
2. SETTLEMENT. FOUR CHINESE ANTI-AIRCRAFT SHILLS LAUNCHING  
3. RECENTLY JAPANESE PLANE CRASHED BOARDING CHINESE LINES FLYING OVER AND ALONG  
4. FROM NORTH-EAST TO SETTLEMENT BOUNDARY 1225

2353 NO 5 FEB

JUN 4 1932

THIS COPY IS FOR THE DEPARTMENT

13 ACT

MA 31 13A 11 16 19 21 2A 5 ONI PRESS

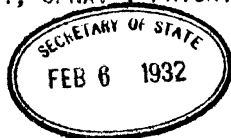
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

1172 RFG

Z A6W V GGP Q 07J LARK P P GR 38

FROM: FOURTH REGIMENT USMC  
ACTION: CINCSASTIC  
INFO: COMYANGPAT; GPNV ( PRIORITY )

FEB 6 23-00



RC



793.94/4063

8:26 EIGHT SHELLS FELL IN RESIDENTIAL AREA SEVEN BURST ONE  
AND FELL IN HOUSTON DETACHMENT BILLET IN JAPANESE DONG SHI  
WILL ALL FROM CHINESE ANTI-AIRCRAFT GUNS JAPANESE PLANES CONTINUE TO  
FLY OVER AND ALONGSIDE OF SETTLEMENT 1355

13 ACTION

05 00 00A 01 10A 11 16 19 20 21A 22 38 ONIPRESS

2016 00 5 FEBRY

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Department of State letter, August 10, 1972  
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FROM: DEPT. OF STATE  
TO: PACOM

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JUN 4 1932

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JUN 4 1932

Copied for circulation

**FIELD**

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

Division of  
EASTERN AFFAIRS  
FEB 5 1982  
Department of State

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JUN 4 1982  
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75



1452 NPD Z TOWN V ABB NITE GR 31

FROM: C IN C ASIATIC  
ACTION: DIRECTOR OF NAVAL INTELLIGENCE (C)

1608 CHANGES FOREIGN MEN OF WAR AT NANKING TAIHURE AT SHANGHAI  
JAPANESE KINEKAZE IDZUMO WITH VICE ADMIRAL NOMURA ON BOARD ARRIVED  
JAPANESE TANSUTA DEPARTED FOUR HEAVY JAPANESE CRUISERS WOOSUNG  
AREA 1815

0017 88 8FEB

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JUN 4 1932

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793.94/4063



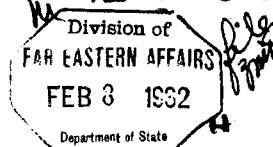
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

FE

1435 HPG L Z 05R PEAT V WICK GR 27

FROM: SR HONOLULU

ACTION: ALL SHIPS AND STATIONS FEB - 8 - 5 - 38



793.94/4063  
J

STET STARTED PERIOD AT TWELVE EIGHTH AT CHINESE...  
...  
... TO ...

... ..

JUN 4 1932

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

13591 PG 2 TOWN V A6N NITE GR 34

FROM CINCINNATIC  
ACTION DRI  
SE



1607 CHANGES FOREIGN MEN OF WAR AT HANKOW JAPANESE FUSHIMI KOTAK AT SHANG  
HAI JAPANESE TATSUTA OKIKAZE AT TSINGTAO JAPANESE KUMA YAKUMO AT CHINESE  
BRITISH FOLKESTONE AT CHEFOO THREE UNKNOWN JAPANESE MEN OF WAR 1550

0407 HQ 7 FEB

6

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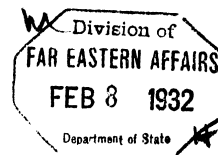
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75



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

Division of  
FAR EASTERN AFFAIRS  
FEB 8 1932  
Department of State

FE

XF YF

FROM NAVAL ATTACHE TOKYO  
TO NAVINTEL

1606 LATEST INFORMATION TROOP MOVEMENTS IS THAT 3000  
WILL ARRIVE SHANGHAI ON 7th FOR RELIEF OF MARINES ASHORE. NO  
OTHER TROOPS EN ROUTE ADDITIONAL TROOPS ~~IN TRANSIT~~ <sup>WILL NOT</sup> SAIL PRIOR  
TOMORROW OR NEXT PROBABLY WILL NOT SAIL AT ALL. ~~XXXXXXXXXX~~ SUGGEST YOU  
REFER TO TOKYO MESSAGES ADDRESSED STATE DEPARTMENT TODAY FOR  
FURTHER DETAILS. SITUATION HERE MATERIALLY CHANGED WITH PROPOSED  
NEUTRAL ZONE ACCEPTABLE. SENIOR NAVAL OFFICER (JAPANESE) AT  
SHANGHAI WILL PROBABLY BE INSTRUCTED NEGOTIATE ACCORDINGLY.

793.94/4063  
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REC IN CODE ROOM AT 1745 6 FEB 1932

DISTRIBUTION

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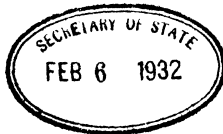
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

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CONFIDENTIAL



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XS                      YS

FROM ALUSNA TOKYO

TO NAVINTEL

1605 IT HAS BEEN REPORTED THAT THREE ARMIES ARE IN  
PROCESS OF MOVEMENT TO CHINA, WITH ONE DIVISION OF  
12000 ENROUTE NOW, ONE OF 15000 TO FOLLOW AND THREE  
DIVISIONS REPORTED MOBILIZING. THE MILITARY ELEMENT  
IS IN CONTROL OF PRESENT CABINET WITH SAME DIVISION  
OF CABINET HEADS PREVAILING AS IN LAST CABINET. THE  
CONDITION HERE IS TENSE, MORE SO THAN MY PREVIOUS RE-  
PORT. PERIOD CONFIRMATION OF RECEIPT OF THIS AND TWO  
PREVIOUS MESSAGES IS REQUESTED. 1730

RECD CODE ROOM AT 1800 5 FEBRUARY 1932

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FILE

*L. G. Helmsman* *May 19, 1973*

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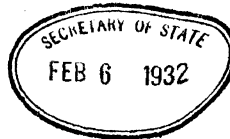
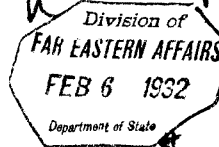
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

✓  
But some at  
least have  
already been  
sent.

SKH

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



XM YS

FROM NAVAL ATTACHE TOKYO

TO NAVINTEL

1606 FROM OFFICIAL SOURCE HAVE RECEIVED INFORMATION  
TO EFFECT THAT NO TROOPS WILL ARRIVE SHANGHAI TODAY.  
SENDING DIVISIONS HELD IN ABEYANCE. A CONCILIATORY  
SITUATION PREVAILS HERE. 1145

RECD CODE ROOM AT 0430 6 FEBRUARY 1932

DISTRIBUTION

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793.94/4063  
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FILED  
JAN 4 1932

11652, Sec. 3(E) and 5(D) or (E)  
D letter, May 3, 1973  
*L. H. Brothman* Mar 19, 1973

C O P Y

Op-38-A-MW

5 February 1932

Vessels operating on Asiatic Station

Manila

All submarines except S-40  
(eleven S-boats)  
BEAVER  
CANOPUS  
MACLEISH

PECOS  
PIGEON  
TRACY



Cavite

AVOCET  
HERON

JASON  
S-40

Canton - HELENA  
MINDANAO

Nanking - SIMPSON  
EDSALL

Chungking - GUAM

Mopanshih - PANAY

Hankow - PALOS  
LUZON  
OAHU

Pagoda Anchorage - MCCORMICK

HongKong - GOLD STAR  
STEWART

Shanghai - HOUSTON  
TRUXTON  
BORIE  
PAUL JONES  
PARROTT  
BULMER  
PEARY  
J.D. FORD

Hainho - ~~MONOCACY~~ TULSA

Ichang - MONOCACY

Swatow - PILLSBURY

Low Point - TUTUILA  
(156 mi above  
Hankow)

WHIPPLE	departed Manila 1 Feb.	due Shanghai 4 Feb	(About 0600)
BARKER	"	"	"
EDWARDS	"	"	"
S. THOMPSON	"	"	"
POPE	"	"	"
FINCH	"	"	6 "
BITTERN	"	"	"
CHAUMONT	"	"	5 " 1800
ISABEL	"	"	" " 0600
BLACK HAWK	"	3 "	" 9 "

THIS COPY FOR STATE DEPARTMENT

793.94/4063  
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JUN 4 1932



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Circulation

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

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
OSD Letter, May 3, 1972  
NARS Date Mar 19, 1973  
FROM USS SIMPSON

SECRETARY OF STATE  
FEB 4 1932

Division of  
FAR EASTERN AFFAIRS  
JUN 2 - 1932  
Department of State

TO COMYANGPAT

INFO COMDEBRO 5--COMDEBRO 14--CINC ASIATIC--YANGPAT  
OPNAV---4th REGIMENT

0004 SHANGHAI  
REPORTS IN CHINA PRESS ~~SHANGHAI~~ NEWSPAPERS OF 2 FEBRUARY  
REGARDING FIRING AT NANKING GROSSLY EXAGGERATED AND INACCURATE.  
FOR MORE COMPLETE INFORMATION AS TO FIRING AT NANKING CALLED ON  
COMMANDING OFFICER TSUSHIMA. HE STATES THAT BOMBS THROWN AND  
SEVERAL RIFLE SHOTS FIRED AT JAPANESE SENTRIES GUARDING APPROACHES  
TO NKK HULK, NIGHT OF FEBRUARY 1st, MOORED AT RIVER BANK. HE ALSO  
MAINTAINS THAT HIS OFFICERS SAW GUN FLASHES FROM LION HILL FORTS  
BUT NO SHELLS OBSERVED TO LAND. AM STILL NOT CONVINCED THAT LION  
HILL FORTS FIRED AT ANY TIME AND BELIEVE JAPANESE MAY HAVE MIS-  
TAKEN FLASHES OF BOMBS FOR GUN FIRING. COMMANDING OFFICER HMS  
BRIDGEWATER STATED THAT HE HEARD A MUFFLED EXPLOSION IMMEDIATELY  
BEFORE RIFLE SHOTS WHICH PARTLY CORROBORATES JAPANESE EXPLANATION.  
TSUSHIMA FIRED 3" GUNS INTERMITTENTLY FOR A SHORT PERIOD IN SEVERAL  
DIRECTIONS DOING COMPARATIVELY SMALL DAMAGE TO PROPERTY. JAPANESE  
FEARED CHINESE SOLDIERS WERE ABOUT TO ATTACK HULK AND STEAMERS  
ALONGSIDE ON WHICH JAPANESE CONSUL GENERAL WAS TEMPORARILY RESIDENT  
THIS SHIP AND 1 JAP DESTROYER ONLY SHIPS IN LINE OF FIRE BETWEEN  
TSUSHIMA AND NANKING BUT AS SHOTS PASSED WELL OVERHEAD ONLY DANGER  
WOULD HAVE BEEN WILD SHOTS FROM LION HILL IF FIRING HAD BEEN  
RETURNED. 0030

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

FE

From: Postal Telegraph Co.

To: Navcom RC

Washington, D.C. 6 February 1932.



Chinese administration advises direct telegraph lines Shanghai Hankow  
working OK.

793.94/4063  
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JUN 4 1932

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By Milton O. Gustafson

NARS, Date 12-18-75



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Figure 1

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RECEIVED IN OFFICE OF  
JULY 7 1965

JUN 4 1932

**STANDARD**

Approved for  
circulation

1/21/82

FROM : CINC PACIFIC  
ACTION : OPNAV



1945 DURING NIGHT CONSIDERABLE GUN FIRE IN CHAPEL AND JAPANESE  
ATTACKED WITH LITTLE APPARENT GAIN. FINES IN THAT AREA AND TO VILL  
EQUIPMENT HAVE REDUCED IT TO A LEVEL WHERE THE JAPANESE  
BOMBARDMENT WAS ENTIRELY LOST. THE PLAN WAS TO BE

ALL AND THIS FOR A SHORT PERIOD. LAST TWO DAYS SEEMS TO  
HAVE PROCEEDED IN A MORE TENSE AND STATIONARY MANNER. NO EVIDENCE  
JAPANESE EVACUATION IS FOUND.

RECEIVED IN THE 200 MARCH 1945 CH. 1945, 1945, 1945

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JUN 4 1982

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TELEGRAM RECEIVED

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FROM

Tokyo

Dated February 9, 1932

Recd 2:24 a.m.

Secretary of State

Washington.

FEB 15

54, February 9, 1 p.m.

The only important editorials in today's press on the Shanghai situation appeared in the TOKYO ASAHI and JIJI. Both defend the despatch of troops to Shanghai as an unavoidable necessity in making Shanghai safe and peaceful. The JIJI, however, advises that the situation at Shanghai is not so simple as in Manchuria for the world does not recognize that Japan has any superior position at Shanghai. It states that Japan should be careful not to cause the powers any misunderstanding and that military actions abroad in protection of national dignity and rights should be in harmony with diplomacy at all times, the latter being as important as military affairs.

FORBES

JS

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

F/LS

793.94/4064

793.94  
note  
893.1028

Division of  
FAR EASTERN AFFAIRS  
FEB 9 1932  
Department of State

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MET

TELEGRAM RECEIVED

Peiping via N.R.

FROM Dated February 9, 1932

Rec'd 3:45 a.m.

Secretary of State,

Washington

211, February 9, 9 a.m.

Following from Reuter, Tokyo, February eighth:

"What are admitted to be 'feelers' aiming at a permanent solution of the Shanghai problems in particular and the China problem in general were put out of the Japanese Foreign Office this morning.

Briefly the proposal is the establishment of demilitarized zones fifteen or twenty miles around the principal trading ports notably Shanghai, Hankow, Tientsin, Canton and Tsingtao while Manchuria it is suggested might also be demilitarized although better disciplined Chinese troops might be utilized as police.

The powers have not been sounded officially on these proposals, stated a foreign office spokesman, but Japanese diplomatic representatives abroad had been instructed to seek a suitable occasion to broach the idea either officially or unofficially.

See 793.94/4080

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Division of  
FAR EASTERN AFFAIRS  
FEB 11 1932

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F/LS 793.94/4065

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FEB 11 1932

MET

2-#211 from Peiping via N.R.,  
February 9, 9 a.m.

The spokesman emphasizes that there was no intention on the part of Japan of retaining their troops in the Shanghai area till an agreement had been reached on these proposals as the troops would be withdrawn as soon as the immediate object of the Japanese Government - safeguarding Japanese lives and interests - had been achieved.

He laid stress on the point that the Government was anxious to avoid an extension of the fighting and he also declared that Japan had no intention of seeking the establishment of a Japanese concession at Shanghai".

For the Minister,

PERKINS.

JS



DECLASSIFIED: E.O. 11652, 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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COPIES SENT TO  
O.N.I. AND M.I.D.

Peiping via N.R.

FROM

Dated February 9, 1932

Rec'd 5:15 a.m.

Secretary of State,

Washington

FEB 15

212, February 9, 11 a.m.

Following from Reuter, London, February eighth  
appearing in English language press in China:

"The Washington correspondent of the MORNING POST  
states that the American administration at present does  
not intend to send any further communication to the  
Chinese or Japanese Governments offering its good  
offices to facilitate a settlement of the dispute.  
Still less does it propose to protest or to bring  
pressure (diplomatic, economic or other) to bear on  
either the Chinese or Japanese Governments.

The main objective of the administration at present  
the correspondent says is to protect Americans in Shanghai  
who will be evacuated if the situation becomes more  
serious".

For the Minister,

PERKINS.

JS

F/LS

793.94/4066

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FEB 16 1932

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

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PREPARING OFFICE  
WILL INDICATE WHETHER

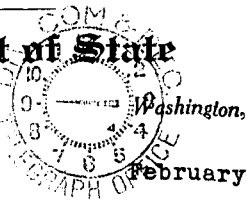
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TO BE TRANSMITTED  
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Department of State



February 9, 1932.

AMLEGATION,

FEB 9-32

PEIPING (China).

793.94/4066 47  
note  
893.102-S  
393.11

Your 212/4066 February 9, 11 a.m.

There is no foundation for any statement implying that the American Administration has indicated any intention to desist from protests of pressure or that it contemplates evacuating its citizens from Shanghai.

This Government's action will be determined on the basis of its views of what is called for at any time as the situation develops. You may so inform any one who inquires.

Relay to Shanghai and Nanking.

Stinson  
W.H.

Feb 9 1932

FE:SKH/ZMF

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Enciphered by

Sent by operator M., 19

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

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

TELEGRAM RECEIVED

FEB 15

REP

FROM

GRAY

Shanghai via N. R.

Dated February 8, 1932

Rec'd 9th, 2 a. m.

Secretary of State,  
Washington.

18, February 8, 7 p. m.

Continuing my daily report of February 7, 4 p. m.,  
No. 11.

One. In Chapei the Japanese attempted to locate by  
aeroplane a field piece of the Chinese at 10:30 this  
mornins but were apparently unable to do so and the field  
piece continued its bombardment to which the Japanese  
replied. The Japanese are apparently hesitating to  
attack Chapei in force until the complete capture of  
Woosung is effected. Also visibility is bad at present  
time. The Japanese are apparently using a battery  
recently brought ashore. Their guns extend over the  
Chapei front for about two miles and the number of  
pieces is estimated to be about ten. As a result of  
Japanese artillery fire the Chinese military barracks  
behind north station building were set a fire and  
continued to burn throughout last night. Japanese  
precautions against permitting pedestrians to proceed  
beyond

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F/LS 793.94/4067

FILED

FEB 16 1932

793.94  
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REF

2- #18, from Shanghai, Feb. 8, 7p.m.

have been (\*)  
beyond Range Road ~~caused the~~ intensified/during past  
24 hours.

Two. It has been reported but not confirmed that the Japanese have captured Woosung village. So far the Japanese have been unable to take Woosung forts due to strong resistance of Chinese. Japanese have entrenched themselves on south side of Woosung Creek. Japanese hold all positions on Shanghai side of creek and have established their headquarters in the work shops of the Shanghai-Nanking Railway. It is estimated they have about 2600 men at this point. This force is being augmented by troops arriving from the Shanghai side by boat. Harbormaster reports 33 Japanese war vessels and transports including 3 large cruisers off Woosung, 9 of which are taking part in the bombardment. He expressed fear that in the exchange of fire Chinese shells may explode the powder magazine at Maluchiao. Heavy fighting took place all morning between Chinese and Japanese troops across Woosung Creek. It is reported that 800 Japanese troops disembarked near Woosung on evening of February 7th.

Three. The Thirty-first infantry United States Army has been assigned the Central District territory bounded on south by the French concession, on the north by Soochow Creek,

REP

3- #18, from Shanghai, Feb. 8, 7p.m.

Creek, on the east by Honan Road and on the west by Myburgh and Mohawk Roads. They are billeted at the race course ~~(\*)~~ and new World Building with headquarters at the latter. The Shanghai volunteer corps will continue to hold the front sector bounded by North Honan Road and the Settlement boundary and from the railway district to the Soochow Creek, also the district bounded by Honan Road on the west, Soochow Creek on the north, Whangpoo on the west and Avenue the Seventh on the south.

Four. With the exception of a few shells falling into the Settlement things have remained fairly quiet. After observing Chinese New Year holidays by suspending business on February 6th the markets are gradually resuming business, a few stalls having reopened yesterday and today.

Repeated to Legation at Peiping, Nanking and Tokyo for information.

CUNNINGHAM

WSB

(\*) Apparent omissions.

TELEGRAM RECEIVED

REP

GRAY

FROM

Tokyo

Dated February 9, 1932

Rec'd 8:25 a. m.

Secretary of State,  
Washington.

FEB 15

W  
FEB 15 1932  
Department of State

57, February 9, 7 p. m.

At the request of the Foreign Office Mr. Yasuke  
Matsuoka called on me this morning for a long interview.

He has been requested by the Prime Minister and the Foreign  
Minister to proceed immediately to Shanghai to act as  
liaison officer between Japanese conciliators and foreign  
powers. He has been for many years in Manchuria as an  
important official of the South Manchuria Railway and  
has a remarkable command of English. He seemed in most  
cooperative frame of mind.

While he said the Japanese were a unit in regard to  
the insistence of their treaty position in Manchuria  
the public generally were much opposed to the Shanghai  
incident and to any fighting in any part of China and  
that they had a genuine desire to put an end to it.  
He said his Government wanted to stop all troubles with  
China. He also laid stress upon their determination to  
consider the Manchurian incident as dissociated from all  
other

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793.94/4068

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FEB 17 1932

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

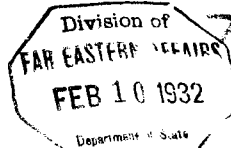
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REP

CORRECTED PAGE 2.

FROM

2- #57, from Tokyo, Feb. 9, 7 P. M.



other Chinese incidents but I told him they had the relationship of cause and effect and until the cause, namely, the bitterness aroused by the Manchurian incident had subsided, the troubles like this in Shanghai were likely to recur; and I urged an early settlement of the Manchurian problem, whether by one set of negotiations or two. I urged that he, as mediator, endeavor to give the Chinese every consideration, reparation for their losses, and some concessions, so they could feel they had some victory in the negotiations to report to their people, in the interests of fairness and of future friendly relations. I also pointed out the danger of Red agencies endeavoring to create new causes of disturbances and urged moderation in retaliatory measures.

I have given him a letter to Cunningham and written Cunningham the substance of this communication.

FORBES

RR

WSB

FW 793.94/4068

793.94 / 4068

REP

2- #57, from Tokyo, Feb. 9, 7 p.m.

893.00R  
other Chinese incidents but I told him they had the relationship of cause and effect and until the cause, namely, the bitterness aroused by the Manchurian incident had subsided, the troubles like this in Shanghai were likely to recur; and I urged an extension of the Manchurian problem, whether by one set of negotiations or any two. I urged that he, as mediator, endeavor to give the Chinese every consideration, reparation for their losses, and some concessions, so they could feel they had some victory in the negotiations to report to their people, in the interests of fairness and of future friendly relations. I also pointed out the danger of Red agencies endeavoring to create new causes of disturbances and urged moderation in retaliatory measures.

I have given him a letter to Cunningham and written Cunningham the substance of this communication.

FORBES

RR

WSB

*See Corrected Copy*



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FROM GRAY & PLAIN

Shanghai via N.R.

Dated February 9, 1932

Rec'd 5:15 a.m.

Secretary of State,

Washington

19, February 9, 10 a.m.

Following is text of letter dated February 6th from

Chairman Municipal Council addressed to me as Senior  
Consul: (END GRAY)

"I have the honor to represent to you the great danger  
attendant upon the flight over the Settlement of aeroplanes  
engaged in hostile operations and in observation and dem-  
onstration flights.

Such flights not only cause intense alarm to the  
civilian inhabitants in a time of tension like the present  
but the danger to life and property from fire attracted by  
aeroplanes and from projectiles which have been falling in  
great numbers in the Settlement is fraught with the  
gravest danger in a community so congested and full of  
refugees. Moreover, the consequences of bombs falling or  
a bomb laden aeroplane crashing in the Settlement would be  
calamitous.

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FEB 11 1932

MET

2-#19 from Shanghai via N.R.,  
February 9, 10 a.m.

calamitous.

Japanese aeroplanes have been constantly flying over the Settlement in the past week despite the requests and representations conveyed to the Japanese authorities. I have accordingly the honor to request you to make urgent representations to both the Japanese and Chinese authorities to refrain from any activities which may endanger the lives and property of residents in the Settlement".

(GRAY) This letter was circulated February 8th and with approval of Consular Body following letter was transmitted to Japanese Consul General evening February 8th, also a letter containing similar representations mutatis mutandi will be delivered to Mayor of Shanghai Municipality this morning; (END GRAY)

"I have the honor to transmit herewith a copy of a letter dated February six, 1932 from the Chairman of the Shanghai Municipal Council in which he represents the danger to life and property in the Settlement, and the alarm occasioned its inhabitants, through the flight of Japanese military aeroplanes, over the Settlement,

whether

893.121  
Shanghai

MET

3-#19 from Shanghai via N.R.,  
February 9, 10 a.m.

whether engaged in observation and demonstration flights  
or in hostile operations.

My interested colleagues desire to endorse these  
representations of the Chairman of the Council, and to  
urge upon your attention the serious consequences which  
may result from the continued flight of these military  
aeroplanes over the Settlement. In doing so they also  
wish to express the hope that you will prevail upon your  
naval and military authorities to discontinue a practice  
which cannot but carry with it ever present possibilities  
of danger and disaster to Settlement life and property.

I am desirous to add that representations of this  
tenor are also being made to the Chinese authorities con-  
cerned in order that they may be persuaded to refrain  
from flying their military aeroplanes over the Settlement".

Repeated to the Legation and Nanking.

CUNNINGHAM

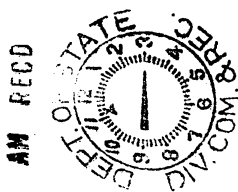
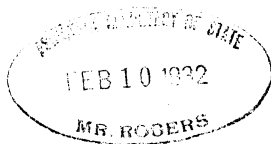
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Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

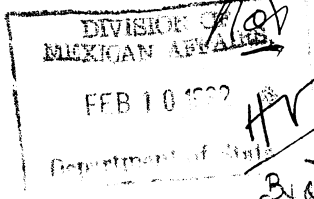


EMBASSY OF THE  
UNITED STATES OF AMERICA  
Mexico, February 2, 1932

No. 1197



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7/3/94  
8/11/33/10

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

Sir:

I have the honor to enclose translations of two editorials which have recently appeared in EXCELSIOR, commenting on the Sino-Japanese situation in Shanghai and indicating that, in the opinion of that paper, war between Japan and the United States may result from the situation there. The second editorial is of particular interest as suggesting that, in the case of such a war, Mexico "should feel greater interest in the fate of the United States than in that of Japan".

There is also enclosed a translation of a news item which appeared in EXCELSIOR on January 31, 1932, in which I am quoted as stating that I have no information concerning this matter. The correspondents of the local newspapers have telephoned the Embassy frequently for

MAR 7 1932

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-2-

frequently for news concerning the situation in Shanghai. They are perhaps led to do this from the fact that the Japanese Legation has at least twice recently issued rather lengthy bulletins which it is said to have received from the Japanese Foreign Office, defending the Japanese position in Shanghai.

In addition to the editorials of which translations are enclosed, EL NACIONAL of January 31st commented editorially on the situation in Shanghai in a manner extremely critical of Japan, and the Great Powers were commended for opposing the Japanese invasion of China.

EXCELSIOR of today has a further editorial stating that if Japan were desirous of a war with the United States she could not choose a better time, because of the extremely serious economic situation of the United States; this serious condition explains the careful diplomacy which the United States has used at the present time. The editorial concludes by stating that the diplomacy of the United States, "although prudent, is dull," and that the Japanese, who are masters of this art, know this.

The newspapers in the last two or three days have also given prominence to the announcement made by the Foreign Office that the Mexican Government has granted permission to the Scouting Force of the United States Fleet to put in at certain Mexican ports (see Department's instruction number 494 of January 2, 1932). There seems to be a general feeling that the movement of these vessels has some connection with the mobilization of the United States Fleet for war purposes, although one article at least states that there is in fact no such connection.

Respectfully

-3-

Respectfully yours,

  
J. Reuben Clark, Jr.

✓  
Enclosures:

No. 1: Translation of editorial, The Difficult Moment,  
from EXCELSIOR of January 30, 1932.

No. 2: Translation of news item, No Official News of  
War Between the United States and Japan, from EXCELSIOR  
of January 31, 1932.

No. 3: Translation of editorial, Facing a Possible War  
in the Pacific, from EXCELSIOR of February 1, 1932.

Embassy file 710: United States - Japan  
JCS:KCT

Enclosure <sup>number 1</sup> ~~to~~ despatch number **1197** of February 2, 1932,  
from the American Embassy at Mexico City

-----

T R A N S L A T I O N.

(EXCELSIOR: January 30, 1932.)

-----

THE DIFFICULT MOMENT

It is impossible to speak of anything else than the taking of Shanghai. At this time, thousands of newspapers on three continents are commenting on the deed with all the vehemence inspired by their sympathies or their desires. The peace of the world is undergoing a rude test. Will it be saved from this crisis by the calm admonitions of printed opinion? It seems doubtful, because the American press and that of the Far East have of late become increasingly more heated, and their attitude is frightening rather than disquieting.

All the remote motives which make an encounter between Japan and the United States inevitable, and which were superabundantly evident some years ago, reappear in the pages of reviews and periodicals, more lively and active than before, and with more fateful presage. And if to the economic motives which have been outstanding in the conflict is added the intervention of political factors which the war has done nothing but strengthen, the situation will be fraught with dangers.

In the United States, the Great War has awakened a hitherto unknown pugnacity which, despite that country's proclaimed pacifism, is apparent in all its doings. In its cinema films, in its literature, in the very exaggeration of its sports, there is observed the transformation of a society of the industrial type into one of the militaristic type. And this continued action has ended by inflaming our neighbors.

-2-

neighbors. Not a news-reel but shows a military review, and the accounts of their victories are still perpetuated in innumerable films which the public deliriously applauds. Everything, in the Republic to the North, gives the idea of a country which loves combat, which desires it. And in such soil it is difficult for pacifism to take root.

In Japan, pacifism is a sentiment opposed to the combative nature of her sons. Western civilization will never cause the warlike spirit of the Japanese to disappear. Behind the amiable and astute formula of her diplomacy is hidden a rebel soul. In Japan, there is no need to stir up public opinion for the fight; it has been stirred up for centuries. And, as if these inflammable materials were not enough for a holocaust, there exists in Japan a militarist party which has taken the United States as its target for the discharge of formidable propaganda.

Thus, we recently read in a French review some statements made by General Kiokatsu Sato, which suffice to give an idea of the state of mind of this group, which of necessity must have great influence in that country. General Kiokatsu Sato is an important man and a distinguished soldier, a member of the reserve force of the Japanese Army, and his words assuredly find an echo in the Empire.

"The Japanese" -- says the General -- "had very confidently assumed the mission of directing the destinies of the Far East. We have not lost our confidence or forgotten our mission. We have allowed ourselves to be carried away and seduced by the pleasures of the hour and by the external symbols of a national civilization. During this time, beyond the Pacific, the United States has instituted a policy of conspiracy and intrigues against the task and the mission entrusted to us in Asia."

And



-3-

And following this:

"Furthermore, our brothers have been eliminated from the United States. The Japanese resident on the western coast have been treated with cruelty and harshness. The American Government has wounded the honor of the Japanese nation. It has affronted our dignity. And we have feigned to ignore these things."

In conclusion:

"The Japanese people love peace. We detest war. Nevertheless, when we consider the problems which are linked with our life, when we consider our existence and the future of our race, we see that it is necessary for us to make war. We are seeking at the present time to settle these questions through diplomatic negotiations. Despite everything, the force of circumstances will in the end oblige us to make war. A war between Japan and the United States is the inevitable destiny of our nation. "

However little these words may penetrate the Japanese soul -- and the Japanese soul is the one most fitted to absorb them --, and however little American "jingoism" may operate in newspapers and cinemas: the spark which unfailingly will set off the holocaust may be struck.

The present moment is a difficult one, and although account be taken of the immensity of the interests working for peace, it is recalled that in July, 1914, everything seemed to forestall the conflict; nevertheless, despite the efforts and the good will of politicians and statesman, all pacifists, who intervened in the imbroglio, the anti-pacifist forces gained the day. The fact was -- as Emil Ludwig later demonstrated -- that the former statements, similar to those of the Japanese General, made by outstanding men of all nations had created the pugnacious state of mind which ended in the war.

Will the capture of Shanghai have for the world the same significance as the assassination at Sarajevo ?

-----

Translated by  
KCT

Enclosure number 2 to despatch number 1197 of February 2,  
1932, from the American Embassy at Mexico City.

-----

T R A N S L A T I O N

(EXCELSIOR: January 31, 1932)

-----

NO OFFICIAL NEWS OF WAR BETWEEN THE UNITED STATES AND JAPAN

His Excellency the American Ambassador, J. Reuben Clark, Jr.,  
Has No Statement to Make in the Matter

-----

"I have not received the slightest indication from my Government that difficulties exist between the United States and Japan" -- Mr. J. Reuben Clark, Jr., the American Ambassador, told us yesterday -- "and I have received no information whatever from any source in regard to this matter."

This statement by Ambassador Clark comes as a contradiction to the rumors which were insistently circulated last night among foreign circles in this capital, to the effect that war had broken out between the two countries.

"All that I know of these incidents I have read in the dailies of this city."

Moreover, the categorical statement of the American diplomat fully confirms the excellent and timely services of our direct wire, which can never be surpassed by other source of news.

-----

Translated by  
KCT

Enclosure number 3 to despatch number **1197** of February 2,  
1932, from the American Embassy at Mexico City.-  
-----

T R A N S L A T I O N

(EXCELSIOR: February 1, 1932.-)  
-----

FACING A POSSIBLE WAR IN THE PACIFIC

The much-feared "war of the Pacific" seems to be drawing near on seven-league boots, and any incident of the many which may arise in connection with the Japanese aggression against China may easily originate the conflict which would again plunge humanity into bloodshed, despite the good intentions held after 1918.

Certainly it is not for us to judge the attitude of Japan in the present controversy, for those acts must be clarified and known in all their minutest details before one could state a sound opinion; but the truth is that everyone has been taken aback by the audacity and the aggressiveness of the Imperial forces, which, not content with taking possession of Manchuria, bombard the great Chinese port of Shanghai, disembark on its docks and fight savagely for possession of the city, unconcerned by the interests of other nations, European and American, or by the unwarranted punishment inflicted on non-combatants, among whom women, children, and the aged have already been the victims of grape-shot and incendiary bombs.

The truth -- we repeat -- is that the Japanese Government has not yet given the world a satisfactory explanation of the bellicose measures it is taking against China, more especially since the latter country has not even yet declared war upon its formidable and cruel enemy.

That the Japanese can no longer be contained in their  
territory,

-2-

territory - for it is impossible for sixty million human beings to live on islands with an area <sup>of</sup> less than four hundred thousand square kilometers - seems evident; but that does not justify the attack on and capture of Shanghai after the conquest of Manchuria, and hence that operation becomes extremely suspicious and likely to provoke a thousand dangers manifest to all.

What, in fact, is the Tokio Government trying to do? Provoke other powers, disputing with them the dominion of the Pacific ?

Naturally, the United States is the country most directly interested in this serious question. Her Asiatic possessions (the Hawaiian and Philippine Islands), as well as her trade in the Far East, are endangered, now more than ever; and it is not likely that President Hoover and the American Congress regard with indifference the imperialist advances of Japan, her openly acquisitive impulses, the spread of her influence in China, and her disregard of treaties and especially of the -- this time -- humiliated League of Nations.

It is not at all strange, therefore, that the United States should mobilize the Pacific fleet, and that it is said that this and the Atlantic fleet will be concentrated at the Hawaiian Islands, ready for any event which may require the use of arms. A single spark can start the holocaust, and then the world will witness another conflagration of proportions unsuspected by anyone.

Due to her extensive West Coast and her nearness to the United States, Mexico can not look upon this possible conflict with indifference. Her position now is nearer the events which during the world war of 1914-1918 (SIC: there is apparently an omission in the Spanish text). Now, the

-3-

the simple fact that permission has been asked of our Government for United States Army aviators to land at our aerodromes and United States warships to provision themselves in our ports, is very significant and emphasizes the geographical importance of our country in a Yankee-Japanese war.

The Government, naturally, granted the permission sought by the White House, and in so doing did not fail its duty in the least, since, as "belligerents" do not yet exist, neither can neutrality be violated. But should an armed conflict occur, we are sure that the Government would give first preference to national interests, which are the only ones to be safeguarded ( and not foolish sympathies or antipathies).

As for ourselves, we will frankly state - guided by common sense and patriotic expediency - that Mexico, in view of her geographical position, her trade relations, her viewpoint in social and political matters, and her Western culture, should feel greater interest in the fate of the United States than in that of Japan. We have no point of contact with the yellow civilizations, even though our most remote indigenous ancestors may have come, and appear to have come, from the Asiatic Continent. The United States is our neighbor, and will be so as long as this planet swims through space; it should also be our friend, whatever bitterness may still remain from past disputes. And we are not going to endanger the welfare and even the sovereignty of this country by giving ourselves the pleasure of stupidly opposing the Colossus of the North. And this without taking into account that Japan, should occasion offer, would use us only for her own benefit and would abandon us in our weakness, after defeat.....

We say

-4-

We say all this because there will be, among those who wave the flag of anti-Yankee nationalism, unthinking persons who will seek to plunge us again into the stupid mistake of other, not far distant, days. Mexico is at peace with all nations, and should remain so; but she also has interests to watch over and defend, and if these interests are linked with any country in the world, it is with the United States, for the reasons given above.

Let us, above all, be circumspect and moderate, for circumstances may become aggravated to such an extent that we shall be obliged to play some part, even though it may be very secondary, in the tragedy; but, at all events, let us coldly analyze the situation in order to take the part required by national expediency, and not by those shortsighted or impassioned illusions which ignore the realities.

=====

Translated by  
KCT

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

## DOCUMENT FILE

### NOTE

SEE 793.94 Commission/83 FOR Tel. #76 3pm

FROM Geneva ( Gilbert ) DATED Feb. 8, 1932  
TO NAME 1-1127 gpo

REGARDING: Shanghai situation. First report on the - from the  
Shanghai Committee has been distributed by Drummond.

793.94/4071

REP

GREEN  
GENEVA

Dated February 8, 1932

Rec'd 1:20 p. m.

Secretary of State,  
Washington.

DOUBLE PRIORITY.

76, February 8, 3 p. m.

Wilson's 15, February 8.

Drummond has just circulated this afternoon to the members of the Council a first report dated February 6 on the Shanghai situation received by telegraph from the Shanghai Committee. This report which covers events at Shanghai and neighborhood up to January 31 was established, the Committee states, "on the basis of its own information which may require subsequent corrections in detail or amplification and will be followed by reports on subsequent events". The report which comprises about two thousand words recites succinctly incidents in chronological order and thus does not permit of satisfactory summarizing.

Should the Consulate telegraph this and subsequent reports in full or will the Department in view of time element receive texts of reports direct from Cunningham. Please instruct.

GILBERT

KLP - HPD



MET

TELEGRAM RECEIVED

GRAY & PLAIN

Shanghai via N.R.

FROM

Dated February 9, 1932

Rec'd 6:10 a.m.

Secretary of State,

Washington

20, February 9, noon.

Following is translation made by this office of a

letter in Chinese only from Mayor Wu dated February 8th addressed to the American Consul General and delivered late last night. A translation was published in this morning's press: (END GRAY)

"With reference to the permission of the Settlement authorities for the Japanese troops to use, or their failure to prevent them from using, the Settlement area as a base of attack upon the Chinese forces, I have the honor to state that I have lodged a strong protest with the Municipal Council of the International Settlement and declared that the Settlement authorities should bear all responsibilities consequent thereupon. This is a matter of record but, since the Settlement authorities have not asked or yet adopted any effective measure to prevent the use thereof although they are fully aware of the fact that the above described action of the

Japanese

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

FEB 12 1932  
U.S. DEPARTMENT OF STATE  
FEB 9 1932  
U.S. DEPARTMENT OF STATE

F/LS  
793.94/4072

FILED

793.94  
893.1025  
893.1012  
793.9411  
493.94  
494.12

MET

2-#20 from Shanghai via N.R.,  
February 9, noon.

793.94111  
493.94  
494.93

Japanese forces would serve to destroy the neutrality of the Settlement and endanger the lives and property of the Chinese people. I am constrained to request that you and the Consuls General of other powers issue strict instructions to the Municipal Council to adopt immediately effective measures to curb the activities of the Japanese forces as stated above. At the same time, I solemnly declare that my Government would accept no responsibility whatsoever for any damage that may be done to the lives and property of foreign residents when, for the purpose of self-defense, an attack made by the Chinese troops upon the Japanese forces utilizing the Settlement as a base of military operations. Besides communication with the other authorities, I have to transmit this despatch for your information. (signed) WuTe Chen, Mayor".

(GRAY) A copy is being sent to Commander-in-Chief.

Comments will follow after consultation with British and some other colleagues.

Repeated to the Legation and Nanking.

CUNNINGHAM

KLP

1912

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

1-138  
PREPARING OFFICE  
\*WILL INDICATE WHETHER

Collect  
Charge Department  
OR  
Charge to  
\$

TELEGRAM SENT

Department of State

1-138  
TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Washington,

February 9, 1932.

FEB 9 32

AMERICAN CONSUL

SHANGHAI (CHINA).

7 TRIPLE PRIORITY.

Your No. 20/4072 February 9, noon, final paragraph.

Please expedite your comments.

793.94/4072

S. Prinson  
Wky

F/H3

793.94/4072

Feb 9 1932

FE: RSL: EUL

FE

SKH

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

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-138

TELEGRAM RECEIVED

MET

GRAY & PLAIN

FROM Shanghai via N.R.

Dated February 9, 1932

Rec'd 7:30 a.m.

Secretary of State,

Washington

21, February 9, 1 p.m.

Local press published February 8th following reply  
from Chairman Municipal Council to Mayor Wu dated Febru-  
ary 6th. Municipal Council states **text is authentic:**  
(END GRAY)

"I have the honor to acknowledge receipt of your  
letters dated January 30 and February 3 1932, in which  
you state that the Council has not imposed any restraint  
upon or in the alternative has permitted the armed forces  
of Japan to use the International Settlement as a base  
of operations against Chinese troops, and protest that  
this constitutes a breach of the neutrality of the Settle-  
ment for which the Council will be held responsible.

In reply I have the honor to state that whatever con-  
dition of neutrality of the International Settlement, or  
condition resembling it, may exist can only have been

created by

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

F/E

F/LS 793.94/4073

Division of  
FAH EASTERN AFFAIRS  
FEB 9 1932  
Department of State  
new

FILED

793.94  
note  
893.1025  
893.0146

793.94111

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

MET

2-#21 from Shanghai via N.R.,  
February 9, 1 p.m.

created by convention or agreement between the various powers or states having political or other interests in the Settlement. Such a condition of neutrality of the Settlement can therefore only be maintained and guaranteed by these same powers and states.

Japan is one of these powers and the Japanese Government and not the Municipal Council is solely responsible for the acts of the Japanese armed forces in the Settlement.

I regret that the disturbed state of affairs has prevented me from making an earlier reply".

(GRAY) Following is published translation of further protest from Mayor Wu to chairman dated February 6th. Municipal Council states translation is substantially correct. (END GRAY)

893.0146  
"With reference to the use by Japanese marines of the International Settlement area as a base of attack on Chinese troops, my previous protest, in which you were urged to take effective means to prevent recurrence of such practice I trust is receiving your attention.

According to unquestionable report, a very large body of Japanese troops, which arrived in Shanghai

yesterday,

MET

3-#21 from Shanghai via N.R.,  
February 9, 1 p.m.

yesterday, were landed at a point inside the Settlement and from which they were later dispatched to various other parts preparatory to launching an attack on Chinese troops to the detriment of the Settlement's peace and order. Such tolerance on your part towards the Japanese troops is beyond our understanding. Therefore, I am constrained again to forward you this protest. In order to prevent misunderstanding on the part of our people I earnestly request that the matter be given your prompt attention with the view that effective means may be taken at once for the forceful suppression of such acts.

Further reports are to the effect that yet other large contingents of Japanese forces are expected within the next few days. It is hoped that you will, in strict accordance with your declaration of neutrality, refuse to allow the landing of any Japanese armed force in the International Settlement area in the future".

Repeated to the Legation and Nanking.

CUNNINGHAM

KLP

REP

TELEGRAM RECEIVED

GREEN AND GRAY

PARIS

Dated February 8, 1932

Rec'd 9th, 10:50 a. m.

Secretary of State,  
Washington.

93, February 8, 7 p. m.

793.94

A general review of the recent editorials in the Paris daily press brings out the impression that with the exception of the two extreme Left papers, POPULAIRE and HUMANEITE, the majority of the press considers that while Japan's intervention in Manchuria to reestablish order is justified on the grounds of her vast economic and financial interests in that Province, her action in bombarding and setting on fire Shanghai's Chinese suburbs is viewed with a great deal of apprehension owing to possible conflicts with the other powers over the security of the International Settlements. However, the press views with indulgence Japan's avowed intention to wipe out the Shanghai headquarters of the anti-Japanese boycott organization but condemns the bombardment of the innocent civilians in Chapei.

Most editorials draw attention to the failure of the League of Nations Council to impose a truce upon the belligerents

F/LS 793.94/4074

FILED  
FEB 11 1932

REP

2- #93, from Paris, Feb. 8, 7 p.m.

belligerents and express doubt as to its efficacy as an instrument of peace. The possibility of a war between the United States and Japan is considered in certain quarters together with the hope that France will not become involved in the conflict.

Little sympathy for China is expressed even in the left papers which are more concerned with the militarism and imperialism of Japan than with the rights of its adversary.

In this connection FIGARO in today's editorial takes Monsieur Herriot to task for having written in L'ERE NOUVELLE an article in which he appeals to France's sense of honor and justice to defend the Chinese course. FIGARO says: "Does France's honor demand that her children be sent to Manchuria to be killed in defending the bandits who torture our missionaries, violate treaties with impunity, rape the wives of the foreign consuls and under the leadership of the German and Bolshevik officers train themselves to renew those horrors which Europe would have avenged long ago in the days when Europe still had a sense of honor". FIGARO'S attitude in demanding that France adopt a policy of "hands off" in China is shared by the large majority of the press. Leon Bailby in L'INTRANSIGEANT defends the same point of view after showing that only Great Britain and the



REP

3- #93, from Paris, Feb. 8, 7 p.m.

and the United States are directly affected by Japan's intervention in China adding "how can the United States deliberately resign themselves to see Japan, their only menace in the Pacific, extend under cover of its guns an influence which raises a political as well as an economic barrier against American designs. . . Bailby expresses satisfaction that the initiative in remonstrating with the Tokyo Government did not come from France and concludes by saying "let Washington and London manage for themselves. . . We have nothing to do in this scrap outside of protecting the lives of our citizens in Shanghai".

Drawing the lesson taught by the present events the non-partisan journal sees a justification in Japan's policy in opening up new territories and new markets for its population of 80 million inhabitants living in a country half as big as France. As for the aims of the Chinese Nationalists, generous though they may be, they have not transformed old China. As for the League of Nations, it has been fortunate in having old time diplomacy come to its assistance. .

Studying the economic aspect of the Far Eastern situation L'INFORMATION, referring again to a possible boycott of Japanese goods by the United States, says that  
the latter

REP

4- #93, from Paris, Feb. 8, 7 p.m.

the latter having placed a high tariff on Japanese silk thus restricting the market for such goods, the most important of Japan's exports, is not justified in preventing Japan from defending its cotton market in Asia.

Even the Radical Socialist ERE NOUVELLE does not conceal its admiration for Japanese methods: "The Japanese are not without reproach but they are strong. Moralists may make reservations concerning their policy but the "observer" must bow before their political skill (\*\*). They have taken hold of Manchuria with a precision of method, and wonderful modesty and simplicity of means. However they have clumsily entered a hornet's nest at Shanghai and do not know how to extricate themselves from it".

After noting that Mr. Stimson's initiative at Tokyo backed by Great Britain, France and Italy has been more fruitful than the intervention of the League of Nations, the writer adds that it will not, however, change anything of Japan's spirit: the Manchurian operation continues and while Tokyo does not seek a quarrel with the occidental powers it will not give up anything essential.

"One understands now why the Anglo-Saxon powers have  
not

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

REP

5- #93, from Paris, Feb. 8, 7 p.m.

not since last September invoked the Kellogg Pact:  
they knew that nothing would stop the Tokyo Government."

ARMOUR

KLP

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

## DOCUMENT FILE

### NOTE

SEE 793.94 Commission/83 FOR Tel. #38 6pm

~~FROM~~ ( ) DATED Feb. 8, 1932  
TO Geneva NAME 1-1127 o.p.

REGARDING: Shanghai situation. Department would appreciate receiving, by telegraph, the text of the first report of the Shanghai Commission on the --.

793.94/4075

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

DOCUMENT FILE

NOTE

SEE 793.94 Commission/86 FOR Tel. #17 6pm

FROM Shanghai (Cunningham) DATED Feb. 8, 1932  
TO NAME 1-1127 o p o

REGARDING: Shanghai situation. Consul General met with Shanghai  
Commission, and quotes section of its report on Japanese  
activities on night of Jan. 28th.

793.94/4076

REP

GRAY

Shanghai via N. R.

Dated February 8, 1932

Rec'd 9th, 2 a. m.

Secretary of State,  
Washington.

17, February 8, 6 p. m.

Department's telegram of February 5, 6 p. m.

Minister's instructions referred to in second paragraph were received February 5th. On February 6th I met in cooperation with Committee and concur in general in first report issued February 6th covering events up to and including January 31st. I have so informed Italian Consul General, chairman of Committee.

The first report contains approximately three thousand words and states in the preamble that it may require succinct correction in detail or amplification and will be followed by reports of subsequent events. I shall not cable it in full unless instructed. However, following paragraph concerning Japanese action on the night of January 28th is quoted for the Department's information.

"Japanese marines and armed civilians, having mobilized at naval (?) force headquarters, advanced along North Szechuan Road and westward along Range Road as far as North Honan Road, dropping parties at the entrance of  
alley-ways

REP

2- #17, from Shanghai, Feb. 8, 6p.m.

alley-ways as they went along, and at midnight, at a given signal, all these parties advanced westward and northwards in the direction of the railway. The final party of about 100 marines, accompanied by an armored car, attempted to pass through the gate dividing the Settlement from Chinese territory at the end of Honan Road but were prevented by the Shanghai Volunteer Corps in whose sector gate is situated. This gate leads to the railway station."

The statements made therein have been verified by responsible foreigners who were on the spot.

Repeated to the Legation, Nanking and Tokyo for information.

CUNNINGHAM

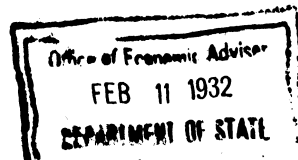
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)  
Department of State letter, August 10, 1972  
By Milton O. Gustafson NARS, Date 12-18-75

PM RECD

No. 70

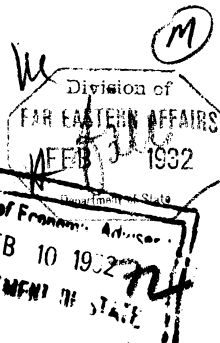
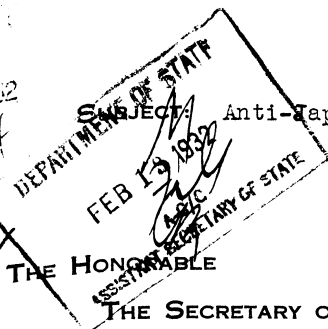


AMERICAN CONSULATE,

Tsinan, China, January 11, 1931.

FEB - 9 32

793.94  
note  
693.9412



WASHINGTON.

SIR:

Referring to my despatch No. 66 of December 21, 1931, in regard to the anti-Japanese boycott, I have the honor to report that no developments or changes in the situation have come to my notice since the report under reference was written.

Respectfully yours,

*C. D. Meinhardt*

C. D. Meinhardt,  
American Consul.

In quintuplicate.

Copy to Legation, Peiping.

610.21  
CDM:HTC

FEB 17 1932

FILED



DEPARTMENT OF STATE  
DIVISION OF FAR EASTERN AFFAIRS

December 16, 1931.

MANCHURIA SITUATION

?? Message to Emperor of Japan ??

1. It is the opinion of FE that telegrams should be addressed to the Emperor of Japan only in connection with and in relation to questions of protocol, of some high political ideal (such as "world peace"), or of some exceptional political crisis which does not lend itself to ordinary diplomatic methods.

2. It is the opinion of FE that if a message goes to the Emperor of Japan on the subject of Manchuria, there should also go a similar message to the President of China.

3. The Emperor is still a young man and is more influenced by than influencing his trusted political advisers. The effect which any message sent to the Emperor would have upon these advisers should therefore first be carefully considered.

4. If, in the present situation, a telegram is sent to the Emperor, that telegram should not contain any definition of American Far Eastern policy which might commit or restrict this Government as regards possible future action.

5. It is particularly believed that in any message  
which

F/LS 793.94/4078

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MAY 11 1934

793.94  
note  
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711.94  
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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. Luntzson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 16, 1931.

MANCHURIA SITUATION

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5. It is particularly believed that in any message  
 which

F/LS 793.94/4078

FILED

MAY 11 1934

793.94  
 note  
 793.94  
 711/23

- 2 -

which may go to the Emperor of Japan there should be avoided any statement in regard to Japan's role in the Far East or in world politics. Especially, there should be no affirmation that we regard Japan as a stabilizing influence in the Far East.

note  
790.94

While it is true that Japan maintains law and order within her own domains, she has, as a matter of fact, been the great trouble-maker in the Far East ever since, in 1894, her representatives in Korea picked a quarrel with and made war on China. Since 1911, when Chinese revolutionaries overthrew the Manchu dynasty and undertook to make China "a republic", Japanese official or unofficial representatives have ceaselessly intrigued in Chinese internal politics and have repeatedly interfered with China from without. During the European war, Japan made no end of trouble in the Far East. The history of the allied intervention in Siberia is largely a series of chapters of Japanese intrigue. For twenty years Japan has been interfering with the efforts -- good or bad -- of the Chinese authorities at Mukden to administer South Manchuria. During the past ten weeks Japan has created conditions in Manchuria of increased banditry and lawlessness to which conditions she now points in justification of her contention that it is her "mission" to establish law and order in Manchuria.

What

- 3 -

What Japan has done brings nearer the likelihood of a great war in the Far East in which Japan, Russia and China will all be involved and which may involve, before it is over, other nations.

6. There is neither ground in fact nor is there warrant from the point of view of present or future diplomatic objectives for our formally affirming that Japan is a "stabilizing influence" in the Far East. We must consider not only what we say, and what we mean thereby, but how our statement would be understood and be used by the leaders of Japan and how it would be understood and be used in China, judged by previous experiences. Nothing that we could do would be surer of being hailed by the Japanese nation as an evidence of our approval of Japan's persistent claims (see latest exhibit attached) and recent acts, and by the Chinese nation as a definite siding by us with Japan, than would such an affirmation on our part. It is believed that the present Administration here would before long greatly regret having made such a statement and that some future administration might find most embarrassing the fact that this Administration had made such a statement.

On this particular point, I have conferred with Mr. Miller and Mr. Blakeslee and they both fully concur.

SKH/VDM

note  
7/11/94  
7/11/93

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

(Copied from "DECLARATION ON SINO-JAPANESE CLASHES  
ISSUE", received from Mr. Toshi Go, Manager of the  
New York Office of the S.M.R. Co.)

#### DECLARATION BY 20,000 S.M.R. CO.

##### MEMBERS

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#### CONVICTIONS OF JAPAN AND JAPANESE

To establish the peace of the Orient and to realize the racial solidarity, thereby contributing to the advance of civilization, as Japan's national policy has been since the Meiji Restoration, is considered as the mission of the Japanese race.

The Sino-Japanese and the Russo-Japanese Wars were caused by the necessity of Japan's strategic security, the former owing to the aggressive policy of China and the latter Russia's, but at the same time, each was the effluence of Japan's spirit to answer for the peace of all the Orient, as may be seen plainly from the Imperial Ordinance proclaimed at the outbreak of each war and the public opinion in the country.

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

DEPARTMENT OF STATE

THE UNDER SECRETARY

Division of  
FAR EASTERN AFFAIRS  
FEB 9 1932  
Department of State

DEPARTMENT OF STATE  
FEB 9 1932

February 5, 1932.

Memorandum of conversation with the German Ambassador,  
February 5, 1932.

793.94  
note  
897.1028

The German Ambassador asked me whether anything particular had happened since his talk with the Secretary concerning the Far East on February 4th. I told him that, of course, we had been greatly disappointed at the Japanese answer to the joint representations and that we were considering what further steps might advantageously be taken. He said that, inasmuch as the representations offering good offices were concurrent, we naturally would wish to discuss the next step with the other nations. I told him this was, of course, true. He asked why these representations were confined to the four powers, whether it had been decided only to include the naval powers. I told him I felt that the primary reason was that the center of the trouble was in Shanghai and that only those powers had been asked to participate who had important interests in the International Settlement. The Ambassador said that, if at any time Germany could be of assistance, he was sure that his Government would be glad to take any specific part as Germany felt that the measures we had so far taken were very useful.

793.94/4079  
FILED  
FEB 10 1932

U WRC/AB

W. R. Castle, Jr.

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

TELEGRAM RECEIVED

FROM FEB 15

REP

GRA

Nanking via N. R.

Dated February 9, 1932

Rec'd 8:35 a. m.

(PART ONE

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

secretary of State,  
Washington.

PRIORITY, URGENT.

February 9, 9 a. m.

793.94/4065

One. Router's of February 8th carries what purports to be a statement by an official spokesman of the Japanese Foreign Office to the effect that Japanese diplomatic representatives have been instructed to sound out opinion in the various governments on behalf of what is termed a "moral program rather than political" having information which it is said the Japanese will lay before the International Conference for the settlement of the Shanghai affair. The message describes this scheme as being a proposal for "the establishment of demilitarized zones of between 15 to 20 miles width around the principal trading ports in China, notably Shanghai, Hankow, Tientsin, Canton and Tsingtau, while Manchuria should also be demilitarized though a portion of best disciplined Chinese forces should be utilized for policing purposes" and official spokesman is reported as saying

F/LS 793.94/4080

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FEB 16 1932

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REP

2- from Nanking, Feb. 9, 9 a. m.

saying quite frankly that such a proposal is contrary to the Nine Power Treaty but that ten years trial had proved ineffectiveness of the policy then laid down, and that the only policy that could result in benefit to Chinese as well as foreigners was a policy of intervention.

(Remainder follows by cable).

JOHNSON

HPD



TELEGRAM RECEIVED

HSM

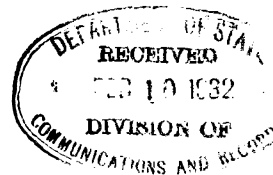
Nanking

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

FROM Dated February 9, 1932

Rec'd 8:05 p. m.  
Division of  
AFAR EASTERN AFFAIRS  
FEB 10 1932  
Department of State

Secretary of State,  
Washington.



URGENT.

February 9, 9 a. m. (SECTION TWO).

Two. In my opinion the powers will do well to  
consider very carefully the effect that such a proposal  
will have in China before permitting it <sup>even</sup> ~~at this moment~~  
to be understood that they are giving consideration  
to the proposal itself.

The situation of Americans in China would be  
dangerous in the extreme should the Chinese army get  
it into their heads that we were assisting the Japanese  
in their attacks upon it. I feel certain that the time  
is ripe for another disaster similar to the Boxer  
uprising unless we walk carefully with these sorely  
exasperated people. And I therefore hope that the  
United States Government will meet this sinister  
attempt

793.94/4080

MAR 3 - 1942

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February 9, 9 a. m. (SECTION TWO) from Nanking (Johnson)

-2-

attempt to involve us all in the ~~conditions of~~ debacle which the Japanese have created for themselves with a statement in favor of upholding the principles and policies of the Nine Power Treaty.

Three. It is my own opinion that a proposal such as this for the demilitarization of areas around the great ports of China is absurd unless the country that offers it intends to maintain garrisons at each such port sufficient to maintain the demilitarized character of that port against the attempts of the Chinese military to get in. The Japanese are giving the world today an example of what it is costing to demilitarize the one port of Shanghai. Let it be considered at what cost the same may be accomplished at Hankow and Tientsin.

Four. I maintain that this is no fight of ours and we should do what we can to stay out of it. Nevertheless, the fact should not be ignored that if the Japanese persist in a policy of force based upon their contention that China is an unorganized state and a geographical name ~~(\*)~~ no Chinese Government can maintain its

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February 9, 9 a. m., (SECTION TWO), from Nanking (Johnson)

-3-

its existence, the Japanese contention will be realized  
and American citizens in China and their interests  
must suffer in the general chaos as they did in 1900.

I heard last night that the Japanese have refused to  
consider a neutral zone at Shanghai in discussions  
going on there and are now insisting on a demilitarized  
area at Shanghai.

JOHNSON

FW

KLP

~~(\*) Apparent Omission.~~

1937

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

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

Collect  
Charge Department  
OR  
Charge to  
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PM RECD  
TELEGRAM SENT

Department of State

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Washington,

February 12, 1932.

American Consul,

FEB 12 32

12 pm

Shanghai, (China).

19 CONFIDENTIAL. For the Minister.

Your February 9, 9 a.m., from Nanking, paragraph two last sentence.

4 One. I have had in mind for some time the possibility of making a statement such as you suggest on behalf of maintaining the principles and provisions of the Nine-Power Treaty. At present I am conferring with the British Minister for Foreign Affairs regarding the possibility of a joint or concurrent statements by the two governments and perhaps others. I have reason to believe that he may be in considerable measure influenced by reports and recommendations which may be made to him by the British Minister to China.

4 Two. I therefore desire that you discuss with Lampson the dangers inherent in a policy of undermining the authority of the Nine-Power Treaty attributed to Japanese official sources, as reported, and express to him your views regarding the situation and your suggestion for meeting this attack on the Treaty and averting a possible reaction among the Chinese

793.94/4080

Enciphered by .....

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-138

1938

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

1-138  
PREPARING OFFICE  
WILL INDICATE WHETHER

TELEGRAM SENT

1-138

TO BE TRANSMITTED  
CONFIDENTIAL CODE  
NONCONFIDENTIAL CODE  
PLAIN

Collect  
• Charge Department  
OR

Department of State

Charge to  
\$

Washington,

Page Two.

as outlined to me in paragraphs two and four of your telegram under reference.

Three. In taking this up with Lampson, you should avoid disclosing that you have been thus instructed, and should not repeat or mention the information given in paragraph one above unless Lampson himself discloses that he has been so informed.

*Stinson*

*SKEG*

FE: SKH: FGH

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

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

Index Bu.—No. 50.

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MICROCOPY

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976

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